

ANNUAL REPORT 2015

RATCHTHANI LEASING PUBLIC COMPANY LIMITED



ราชนานีลิซซิง
Ratchthani Leasing
A Thanachart Group Company



ENHANCED
SUCCESS

VISION

A premier company providing credit loan especially for used cars, commercial vehicles, and other particular vehicles to meet the customers' need covered all provinces in Thailand.

MISSION

MISSION TO SHAREHOLDERS

To operate efficiently and transparently with sustainable growth to maximize great operation results and returns to shareholders continually.

MISSION TO EMPLOYEES

To emphasize on human resources development to enhance their potential, expertise, and skills in order that they work professionally with integrity, ethics in their career, including providing remuneration to maintain good qualified employees for working at the Company.

MISSION TO BUSINESS PARTNERS

To create good relationship, confidence, and rapid services to business partners, and provide reciprocal business returns fairly to enhance business collaboration effectively in the long term.

MISSION TO CUSTOMERS

To provide the services development being excellent, precise and rapidly, propose qualified financial product to satisfy the target customers' need on various vehicle types and maximize the most consummate satisfaction.

MISSION TO SOCIAL

The Company has committed to conduct its business with integrity, principle, and discipline in compliance with law, regulations, and related rules in order to be responsible to social and jointly develop the country's economy.

CORE VALUES

To achieve its mission and vision with appropriate approach efficiently and be the same direction with Thanachart groups, the Company has defined its core values or **C3 SIP** to its all employees to understand and implement.

The Company's core values, which are the belief and commitment of each employee acting during operation and providing services to customers, are as following:

Customer Focus :

We are aware of the importance of customers' need and commit to provide services responded on our customers' need and create satisfaction.

Collaboration :

We will collaboratively work as a team.

Commitment :

We will commit to operate for achieving the goal and responsible to performance.

Spirit :

We are dedicated on working

Integrity :

We will adhere on integrity, transparency, and anti-corruption.

Professional :

We must have knowledge, skills, and competence appropriately to performance.

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Message from Chairman

In 2015, the global economy remained persistently weak and fragile, but still recovered and slowed down divergent for each region. The economy of the United States raised the interest rates as well as the unemployment rate was lower, which reflected the strong economic trends. The economy of Euro and Japan was still not recovered consistently. While the economy of China and the countries in Asia region began slow down. Therefore, the global economy still depends on structural reformation in the long run.

For Thailand's economy in 2015, it was expanded to 2.5%, recovering only 0.8% from the previous year. Although Thailand's economy began recovery, it was resulted of investments of the public sectors as majority. At the same time, the investments of the private sectors were decline to 2%, which reflected of unconfidence on investment. By reasons of the status of the world economy, including China's economy, there is still fragile and uncertainly. As a result, the export was decreased to 5.6%, which was the pressure on the domestic economy continually and potentially affected continuously.

Among the pressure circumstance on the economy both inside and outside of Thailand which resulted of expansion of the industrial sectors as well as vehicle industries was decline, the overall of the business operation of Ratchthani Leasing Public Company Limited for the year 2015, the Company's net profit was Baht 748.66 million. As a result of the business operation strategy focusing on carefully credit control, the Company enabled to maintain good performance consistently compared with the past years.

For the economic outlook of Thailand in 2016, the Company expects that it still grows continually from the outlook of the spending of households and the private sectors increasingly. This may be beneficial from the decrease of oil prices in the world market, including the continually investment policy of the public sector. It is the main driving force to the expansion of the domestic economy. However, the Company has still monitored economic conditions in key industries affected to the overall recovery of the domestic economy in order to drive its operation according to the business plans.

On this occasion, on behalf of the Board of Directors, I would like to thank the executives and all employees for their dedication on performing with completely responsibilities which is the significance elements to make the Company overcome any challenges throughout the previous year. Moreover, I would like to thank customers, trade partners, and all stakeholders for their continued support and trust in the Company. The Board of Directors has committed to pursuing businesses under discretion and good corporate governance to the success and sustainably growth in the future.

(Mr. Virat Chinprapinporn)

Chairman

Report of Selection and Remuneration Committee

The Board of Directors of Ratchthani Leasing Public Company Limited has appointed the Selection and Remuneration Committee since 2012, is responsible for recruiting persons that is qualified to serve as directors and various committees; the Managing Director, the policies of the Board and President of the Board of Directors or Shareholders to consider.

The Selection and Remuneration Committee of Ratchthani Leasing Public Company Limited comprises three members as follows:

1. Mr.Suvit Arunanondchai (Independent Director) as Chairman of the Committee
2. Mr.Varavudh Varaporn (Independent Director) as Member of the Committee
3. Mr.Anuwat Lueangthaweeikul (Non-executive Director) as Member of the Committee

In 2015, the Selection and Remuneration Committee held 2 meetings and addition 1 meeting to consider and acknowledge related issues as follows:

- Select and consider qualified candidates to be the directors, members of sub-committees and managing director and propose to the Board of Directors and in the common shareholder meeting for approval.
- Determine proper remuneration and other benefits of directors, members of sub-committees and managing director in accordance with their duties and responsibilities, by comparing with other company in the similar industry and propose to the Board of Director and in the common shareholder meetings for approval.
- Determine criteria to evaluate performance of Managing Director for considering annual remuneration and propose to the Board of Directors for approval.
- Consider and review policies, schemes and criteria of selection and remuneration determination of directors, members of sub-committees, and managing director including performance evaluation and annual remuneration of managing director for 2015 to propose to the Board of Directors for approval.

In summary, the Selection and Remuneration Committee has performed in accordance with its duties and responsibilities as assigned by the Board of Directors and viewed that in 2015, directors, members of sub-committees and managing director are knowledgeable and capable persons including remuneration and other benefits shown in the Annual Report suited with their duties and responsibilities as well as in line with economic condition and overall performance of the Company.

A handwritten signature in black ink, appearing to read 'Suvit Arunanonchai'.

(Mr. Suvit Arunanonchai)

Chairman of Selection and Remuneration Committee

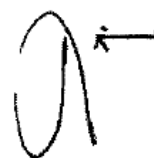
Report of Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors as the members of the committee are the same members of the Company Executive Board and consists of 4 members as follows:

- | | | | | |
|----|--------------|-------------------|----|---|
| 1. | Mr.Kovit | Rongwattanasophon | as | Chairman of the Risk Management Committee |
| 2. | Mr.Virat | Chinprapinporn | as | Member of the Risk Management Committee |
| 4. | Mr.Wuttichai | Suraratchai | as | Member of the Risk Management Committee |
| 3. | Mr.Praphan | Anupongongarch | as | Member of the Risk Management Committee |

The Risk Management Committee performed duties under the delegation of authority set out by the Board of directors to reviewed, considered and defined the risk management policies in the normal business operation included credit risk, marketing risk, operational risk, strategic risk, liquidity risk and other themes, defined the risk management tools and guidelines to measured and control the risk to an accepted level, reviewed and considered the internal and external risk in the normal business operation to prevented and mitigated risk , including regularly reviewed and defined the risk management policies and risk appetite.

In 2015, the world economy remained vulnerable and fragile, particularly the economy of China and the countries in Asia began slow down. Besides, Thailand's economy, its export was decline and the unconfident investment of the private sectors was the factor effected of the Company's business operation on the previous year continually till the year 2016. The Risk Management Committee have conducted its duties, as assigned above, precisely and covering every risks in order that the Company enables to appropriately and effectively operate its business, achieves its goal defined under such pressures. As a result, the Company is capable to operate its business continually and sustainably.



(Mr. Kovit Rongwattanasophon)
Chairman of the Risk Management Committee



Report of the Corporate Governance Committee

The Board of Directors realizes and highly values on corporate governance under the guidelines of the Stock Exchange of Thailand. Therefore, the Board has appropriately and mutually to perform and take responsibilities as the Corporate Governance Committee, as well as determining the agenda on the topic of good corporate governance as the regular meeting agenda of the Board of Directors.

The Corporate Governance Committee has duties and responsibilities to define the policy and guidelines of the good governance, including the assessment and reviewing the policy, ethics, and appropriate approaches in compliance with the related laws consistently.

In 2015, the Corporate Governance Committee and related functions have conducted its business in accordance with the standard of ASEAN CORPORATE GOVERNANCE SCORECARD to create transparency and equivalence to all related business functions. Moreover, the Company has emphasized on the anti-corruption, which is the obstacle on social and economic development of the country. This intentional declaration as the alliance of Thai private sectors to anti-corruption is the business practices in compliance with the code of good governance.

As a result of its intention to conduct business under the corporate good governance in the previous year, the Company has been evaluated its quality from the survey of good governance of listed companies for the year 2013, 2014, 2015 and scored at the grade level of “Excellent” from Thai Institute of Directors in collaboration with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. In 2016, the Company still has been assessed and received the highest score: “Level 5” on the conduct of anti-corruption from the Office of the Securities and Exchange Commission, which reflected its intention on business operation complied with the policy of the good governance and business ethics of the Company as well as creating the confidence to all stakeholders.

As the listed company, the Company continuously improves and develops its corporate good governance in accordance with its business operation consistently to comply with the international corporate governance practices.

(Mr. Virat Chinprapinporn)

Chairman of Corporate Governance Committee

General Information and Other Important Information

Company's Name : Ratchthani Leasing Plc.
Type of Business : Pre-owned and New car hire-purchase service
Head Office: 77/35-36 Sinnsathorn Tower, 11UP Floor Krung Thon Buri
Road, Khlong Ton Sai Sub-district, Khlong San District,
Bangkok 10600
ISIN No. : BorMorJor No. 0107545000209
Homepage : <http://www.ratchthani.com>
Tel. No. : 0-2431-9000
Fax. No. : 0-2431-9098
Registered Capital : Bt. 2,416,227,333
Paid-up Capital : Bt. 2,416,227,209
Type of Share : Ordinary share

References

Share Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building
Ratchadaphisek Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok 10110
Tel. No. : 0-2229-2866
Fax No. : 0-2359-1262-3

Auditor

Miss Somjai Khunapasut
CPA Registration No. 4499
EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Tel. No. : 0-2264-0777
Fax No. : 0-2264-0789-90

Company Secretary

Mr.Ponlaphe Sakkayapapwichanon
Ratchthani Leasing Plc.
77/35-36 Sinnsathorn Tower, 11UP Floor Krung Thon Buri Road, Khlong Ton Sai Sub-district
Khlong San District, Bangkok 10600
Tel. No. : 0-2431-9000 Ext 1666
Fax. No. : 0-2431-9098



Financial Summary

(Unit: thousand baht)

Balance Sheets	2015		2014		2013	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
<u>Current assets</u>						
Cash and bank deposit	163,892.49	0.56	204,241.27	0.73	182,822.47	0.67
Hire-purchase account receivable due within 1 year, Net	11,328,652.41	38.39	10,562,738.09	37.91	9,363,836.53	34.31
Financial lease- account receivable due within 1 year, Net	110,738.43	0.38	98,036.40	0.35	76,517.98	0.28
Other debtors	50,903.45	0.17	48,009.15	0.17	38,482.96	0.14
Foreclosed assets	85,345.38	0.29	83,335.53	0.30	29,796.84	0.11
Other current assets	17,947.71	0.06	8,564.19	0.03	79,288.45	0.29
<u>Non-current assets</u>						
Restricted bank deposits	300.00	0.00	300.00	0.00	300.00	0.00
Hire-purchase account receivable due more than 1 year, Net	17,192,096.45	58.27	16,462,811.76	59.08	17,227,918.26	63.12
Financial lease- account receivable on due	288,793.35	0.98	180,596.15	0.65	165,122.81	0.61
Long-term investment, Net	185.86	0.00	183.13	0.00	197.20	0.00
Properties for investment	19,326.50	0.07	19,326.50	0.07	19,326.50	0.07
Property, plant and equipment, Net	94,775.59	0.32	54,104.04	0.19	53,010.89	0.19
Intangible assets	12,865.64	0.04	15,707.39	0.06	17,617.81	0.06
Deferred tax asset - net	135,677.24	0.46	124,204.17	0.45	36,959.45	0.14
Other non-current assets	3,173.27	0.01	2,110.55	0.01	1,954.79	0.01
Total assets	29,504,673.77	100.00	27,864,268.32	100.00	27,293,152.94	100.00
Liabilities						
<u>Current liabilities</u>						
Overdraft	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loan	7,320,692.37	24.81	6,019,133.07	21.60	6,655,328.70	24.38
Long-term loan due within 1 year	82,688.08	0.28	1,036,404.65	3.72	350,323.04	1.28
Current portion of debentures Unrelated parties	5,497,927.69	18.64	1,499,558.61	5.38	1,999,146.41	7.32
Other creditors	395,894.94	1.34	326,405.39	1.17	420,080.98	1.54
Hire-purchase creditor due within 1 year	5,487.18	0.02	4,648.74	0.02	5,009.74	0.02
Accrued corporate income tax	104,570.66	0.35	137,709.45	0.49	142,655.74	0.52
Other current liabilities	122,058.47	0.41	134,541.64	0.48	78,360.74	0.29
<u>Non-current liabilities</u>						
Hire-purchase creditor	3,892.14	0.01	9,379.32	0.04	9,512.37	0.03
Long-term loan	1,399,717.79	4.75	624,787.92	2.24	1,661,192.58	6.09
Debenture	9,989,366.15	33.86	14,180,210.94	50.89	12,737,012.09	46.67
Forecasted liabilities- reserve for long-term staff benefit	18,121.81	0.06	12,443.09	0.05	11,249.60	0.04
Total liabilities	24,940,417.28	84.53	23,985,222.82	86.08	24,069,871.99	88.19

Shareholders' equity						
Issued and paid-up capital	2,416,227.21	8.19	2,013,522.78	7.23	1,610,819.60	5.91
Capital surplus	319,888.16	1.08	319,888.16	1.15	319,888.16	1.17
Appropriated retained earnings						
Legal reserve	183,000.00	0.62	145,500.00	0.52	110,117.81	0.40
Retained earnings for treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Unappropriated retained earnings (deficit)	1,645,141.12	5.58	1,400,134.56	5.02	1,182,455.37	4.33
Less Treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholders' equity	4,564,256.49	15.47	3,879,045.50	13.92	3,223,280.95	11.81
Total liabilities & shareholders' equity	29,504,673.77	100.00	27,864,268.32	100.00	27,293,152.94	100.00

(Unit: thousand baht)

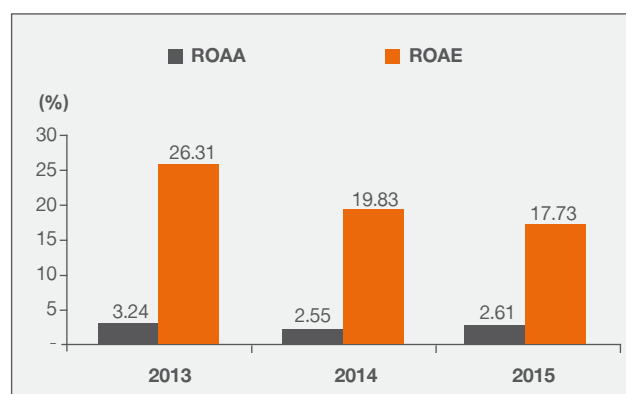
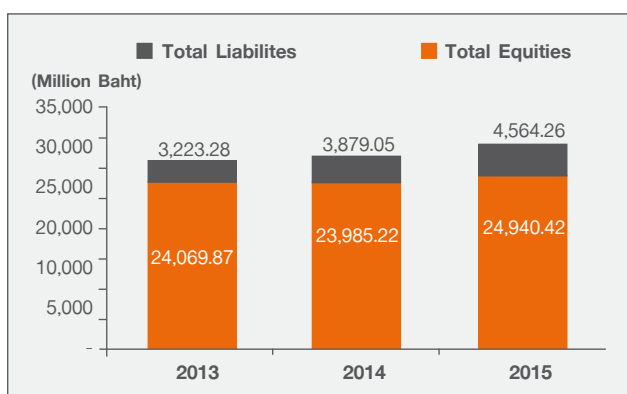
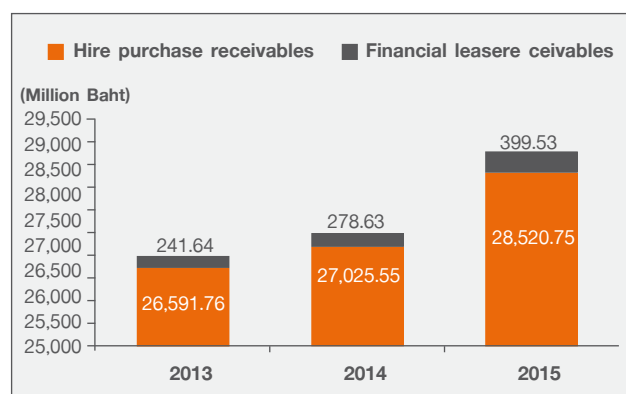
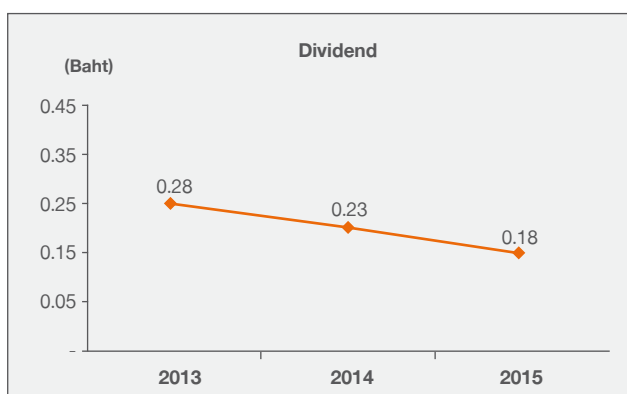
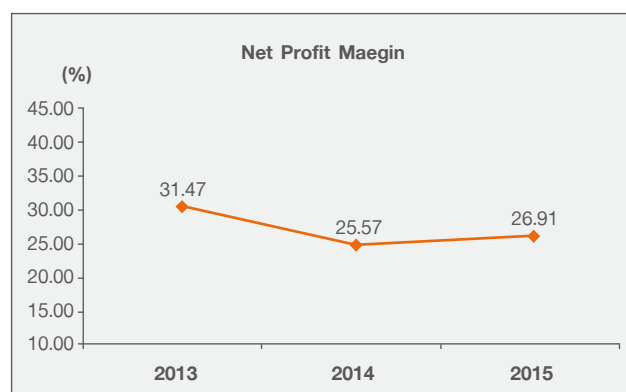
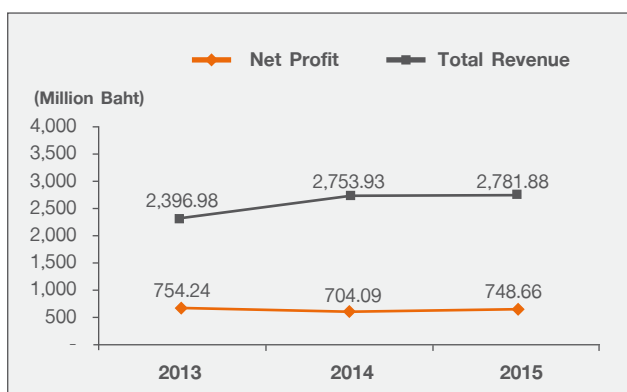
Income Statement	2015		2014		2013	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Income and expenses						
Interest income from hire purchase	2,339,894.60	84.11	2,377,960.53	86.35	2,094,492.59	87.38
Interest income from financial lease	21,602.13	0.78	19,328.14	0.70	16,639.38	0.69
Income from fee and services	235,812.48	8.48	197,117.47	7.16	181,209.37	7.56
Other incomes	184,575.21	6.63	159,523.21	5.79	104,642.04	4.37
Total incomes	2,781,884.41	100.00	2,753,929.35	100.00	2,396,983.38	100.00
Financial cost	1,016,399.63	36.54	1,071,901.12	38.92	917,225.24	38.27
Selling and administrative expense	408,159.58	14.67	352,579.22	12.80	255,412.50	10.66
Bad debt	190,835.18	6.86	99,833.98	3.63	34,603.05	1.44
Doubtful account	221,089.59	7.95	332,505.63	12.07	234,495.24	9.78
Corporate income tax	196,737.38	7.07	193,020.39	7.01	201,007.47	8.39
Total expenses	2,033,221.36	73.09	2,049,840.34	74.43	1,642,743.50	68.54
Net profit	748,663.05	26.91	704,089.01	25.57	754,239.88	31.46



Major Financial Ratio Reflecting Financial Status and Operating Performance of the Company

Ratio	2015	2014	2013
<u>Profitability Ratio</u>			
Net profit margin (%)	26.91	25.57	31.47
Net profit to net interest (%)	55.66	53.12	63.17
Interest rate received (%)	8.13	8.71	8.97
Interest rate paid (%)	4.27	4.52	4.52
Interest rate gap (%)	3.86	4.19	4.45
Return on equity (%)	17.73	19.83	26.31
<u>Efficiency Ratio</u>			
Return on assets (%)	2.61	2.55	3.24
Total assets turnover (time)	0.09	0.09	0.09
<u>Financial Ratio</u>			
Debt to equity ratio (time)	5.46	6.18	7.47
Lending to loan ratio (time)	1.23	1.32	1.17
Dividend payout ratio (%)	58.02	65.77	59.80
<u>Share Information</u>			
Book value per share (Baht)	1.89	1.93	2.00
Basic earnings per share (Baht)	0.31	0.29	0.47

Financial Information Highlight





Corporate Social Responsibilities: CSR

Overview Policy and Guideline

Ratchthani Leasing Public Company Limited realized the importance of balanced development of economic, society and environment in order to head the organization for sustainable growth with business philosophies specified in the Company's social mission that

"The Company is committed to operate business with integrity according to the principles of discipline, laws, and related rules and regulations to give back to society and develop the national economy"

Efficient use of resources with consciousness, readiness and capability to build wealth based on organization fundamental with regard to the supervision and development of human resources, good corporate governance of business operation, thoughtfulness and realization of expectation and benefits of all stakeholders, the balance of these factors will be major parts to develop the Company's business with sustainability and stability growth in the future.

The Company has determined social and environment responsibilities to be one of its sustainable growth strategies which covered supervision and development of human resources, fairness treatment to all stakeholders and adhered to corporate social responsibilities prepared by **the Stock Exchange of Thailand** which at present has set the following principles (8 principles)

1. Business operation with fairness
2. Anti-corruption
3. Respect for human rights
4. Labor treatment with fairness
5. Customer responsibility
6. Environment preservation
7. Community and society development
8. Owning innovation and publicizing innovation generated from the operation conducted with responsibilities of society, environment and stakeholders.

Due to the various groups of stakeholders of its operation, the Company has strategies to oversee, improve the operation as well as properly and constantly respond to expectation of all stakeholders which enable the Company to grow sustainably based on fundamental of participation and good corporate governance of business operation.

Stakeholder	Strategy and guideline
Shareholder	Transparently operate business with good corporate governance for sustainable growth
Customer	Develop precise and fast service for the excellence to respond to requirements of target customers for different kinds of automobiles for utmost satisfaction

Stakeholder	Strategy and guideline
Trade Partner	Build confidence and good relationship for long term business cooperation
Employee	Support development and training including equally treat and provide proper remuneration and welfare
Creditor	Treat creditor with fairness and transparency in accordance with conditions and agreement
Competitor	Treat competitor with fairness under business ethics framework and honest completion
Society, Community and Environment	Operate business with fairness and support events to develop quality of life
Government officer	Operate with government officer whom may related transaction under good corporate governance

Operation and Report Preparation

1. Report Preparation Procedure Ratchthani Leasing Public Company Limited is committed to be responsible organization for society and environment. The report is prepared in accordance with guideline of report preparation for sustainability of **the Stock Exchange of Thailand and Corporate Social Responsibility Institute (CSRI)**.

2. Operation in accordance with policy Ratchthani Leasing Public Company Limited is committed to operate business with good corporate governance and realized the importance of business ethics to be the performance framework to reflect value of organization and in accordance with social responsibility principles as follows:

❖ Business operation with fairness

Main issue	Focus issue	Guideline
Support fair competition, no monopoly power	-Business ethics -Corporate governance policy	- The Company has prepared corporate governance policy and business ethics and morals handbook, including Policy against corruption, which covered giving and taking gift, conflict of interest including no violation of human rights and intellectual property as well as determined its policy which publicized on the Company's website (www.ratchthani.com).
No violation of intellectual property		
Anti-corruption	-Policy against corruption	

❖ Anti-corruption

Main issue	Focus issue	Guideline
Determination of anti-corruption policy	- Anti-Money Laundering policy	-The Company has determined instruction, regulation and operation handbook which comply with Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) policy in accordance with guideline specified by Anti-Money Laundering Office.
Knowledge training		

❖ Customer Responsibility

Main issue	Focus issue	Guideline
Protection of Customer's rights	- Keeping Customer's Confidentiality Policy	- The Company has policy to keep customer's confidentiality by arranging training to employees to understand the customer's privacy.

❖ Environment Preservation

Main issue	Focus issue	Guideline
Sustainable utilization of resources	- Reduction, recycling and recycling of resources	- The Company has set resources conservation and energy saving project by using recycle paper or envelope, using office equipment with worthiness, water and electric saving which turning off every time after use in order to save energy of the Company as well as energy of the country.
	- Energy Conservation	- The Company launched a campaign to change equipment to energy saving devices. Replacing the old bulbs and using lamp LED (Light Emitting Diode) was another method on energy conservation, which provided high luminous efficiency. Not only energy saving, but also durable for a long time, such activities made the quantity of waste lamps reduced.

❖ Labor treatment with fairness

Main issue	Focus issue	Guideline
Human resources development and encouragement	- Possess guideline for skill and training development for the progress of employees equality	- The Company has encouraged employees to join the training for not less than 50% of all employees each year and submitted training report in accordance with regulations of Department of Skill Development.
Health and Safety	- Realize the importance of health system and working safety of employees	- The Company has working safety policy and plan to protect and reduce accident and danger as well as constantly evaluated, monitored and improved.
Welfare	- Oversee and realize the importance of personal life of employees and work-life balance	- The Company realizes the importance of all employees of the Company with regard to their values and be major parts to operate business by providing equally supervision and proper remuneration and welfare including building good working environment.

In 2015, the Company held internal training and applied to external training by assigning total of 236 employees to attend those training, or 54.25% of total employees, and having average of 42.30 training hours per year.

The Company has appointed the Committee of Occupational Safety, Health and Environment of the Workplace. The representative of employer at executive level is the Chairman and representative of employer at manager level is member of committee. The objective is to consider policy and plan of workplace safety. Besides, The Committee was registered by Department of Labor Protection and Welfare to show that the Committee passed the training course of the Committee of Occupational Safety, Health and Environment of the Workplace arranged by Workplace Safety Training Institution of Pin thong Group Management and Consultant Company Limited

Safety and Healthcare Management

The Company encourages all employees to be considerate on employee's safety within or outside the organization. The Company's head office is located at Sinnsathorn Tower and the Company collaborates with the building juristic entity to participate for both theory and practical demonstration of evacuation rehearsal, fire alarm signal testing which the Company will select new staff to join the demonstration to learn building pathway to be prepared in case of fire accident.

The Company has realized the importance of occupational safety for both health and environment at workplace, therefore, the Company has provided training to both new and existing staff to have better understanding with regard to working procedure and practice in order to prevent danger from occupational injury or illness such as avoiding working in the insufficient lighting area, avoiding working in the unsafe environment, using face mask to prevent contacting with dust in order to reduce long term health problem.

In 2015, Mr. Kovit Rongwattanasophon, the Managing Director, promoted employee to care on their health, play sports and exercise by playing badminton in order to create cooperation, harmony, and encouraging employees to have sporting spirit and good health. The tournament “Badminton Rachthani Cup” was held for three categories of competitions: women’s doubles, men’s doubles, and mixed doubles at TiTo Badminton Court nearby the headquarter, which employees mostly participated with cheerfulness.



Welfare Management

The Company is aware of the employee’s welfare and the importance of all employees, therefore, it provides welfare and benefits as follows:

- **Group Life Insurance**

The Company has realized the importance of employees and cared for their healths and lives, therefore, the Company has set up welfare of “**Group Life Insurance of Ratchthani**” for all employees in order to build morale and be working guarantee for all employees as well as lessen their expenses as there are no charges.

- **Annual Health Checkup**

The Company is aware of the importance of employees. In addition to group life insurance, the Company also provides annual health checkup. The checkup covers all necessary items for employees to know about their health and illness risk. The Company also arranges for doctor meeting to provide recommendation after receiving health checkup result so that the employees will be aware of their health in order to lessen their health problems. Besides, the Company provides employees' families to have discount for annual checkup. The Company cares for all employees to be healthy.



- **Provident Fund**

The Company established provident fund named **“Ratchthani Retirement Fund to Increase Value”** to promote money saving and to be security of all employees in case of their retirement. The Company views that employee who work with the Company until retirement should have money to use after retirement with happiness. An employee can select to cumulate his/her contribution to the fund more than the contribution paid by the Company, but not over 15% of wage and the Company shall pay contribution to the fund at 5% of wage.

- **Funeral Allowance**

The Company has set welfare named **“Ratchthani cares for all lives, provides funeral allowance to assist employees”**. The objective is to help employee in the event of death of employee or his family member. The Company will support the expenses of the funeral ceremony according to specified regulations and conditions.

- **Savings cooperatives**

The company has joined the **"Savings Cooperative Thanachart Bank Ltd."** The cooperative members are employees of affiliated companies in the Thanachart Group. Employees who participate will have right to hold shares by schedule and have access to membership benefits such as group-life insurance, family-life insurance, special interest rates for deposits. And for loans and so on.

Activities for benefits of social and environment (after process)

In 2015, Ratchthani Leasing Public Company Limited arranged social activities to assist society and for charity. The Company supervised social activities, approved and supported budget for such events. Besides, the employees of the Company also participated in such social activities as well. The major samples of social activities which the Company has constantly arranged are as follows:

- Rachthani Activity: Scholarship to Children

Foundation for Slum Child Care under the Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra

The Company has realized the importance of children's future in communities. Mr. Kovit Rungwattanasophon, the Managing Director, donated his money at the amount of Baht 286,000 to improve the playground and landscape as well as clothes and necessary equipments beneficial to living at Baan Srinakarin (community on Nongkham garbage) Foundation. For Slum Child Care under the Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra, Bangkok.



Tribal Children at Chiang Dao District, Chiangmai Province

The Company is aware of the importance on creating good relationship with trade partners, including donating necessary items to the poor people. Mr.Kovit Rongwattanasophon, the Managing Director, donated his money at the amount of Baht 10,000 to purchase equipments to tribal children who needy and lack of clothes, educational tools at Chiang Dao district, Chiangmai province under the project "Travel to the North with Sharing Happiness to Children at Chiang Dao" held with M.C. Superbike Co., Ltd.

Plukpunya Municipality School under the Royal Patronage

The Company recognized on youth development, which is a major resource of the nation, the country development together with environmental improvement to be clean and green. Those are key beneficial factors on development of physical body and mind, as a result, students have good health, mental, and intelligence. Mr.Virat Chinprapinporn, Chairman of the Board, donated his money at the amount of Baht 50,000 to funds to Plukpunya Municipality School under the Royal Patronage, at Muang district, Phuket province, to support the school's activities and environment development to be good and safe to students and school officers.

Kuvanant Foundation

The Company was aware of developing and maintaining relationship with trade partners sustainably for effective business cooperation for a long time. Mr.Komsan Boonyoiyad, Deputy Managing Director, of Rachthani Leasing Public Company Limited, donated at the amount of Baht 20,000 to funds on scholarships to Kuvanant Foundation in order to give to students with good grade but disadvantaged and needy, including elderly suffering, which such activities held at Kow Yoo Hah Isuzu Co., Ltd.

Kathin with Kow Yoo Hah Group and Kuvanant Family

The Company realized on the significance of Buddhism. Mr.Komsan Boonyoiyad, Deputy Managing Director, of Rachthani Leasing Public Company Limited, donated at the amount of Baht 5,000 to fund on building a sermon hall in a monastery at Wat Ban Na Phu, Kaedam sub-district, Kaedam district, Maha Sarakham province to maintain religious place in Buddhism continually. Such activity was cooperated held with Kow Yoo Hah Isuzu Co., Ltd.

Anti-corruption

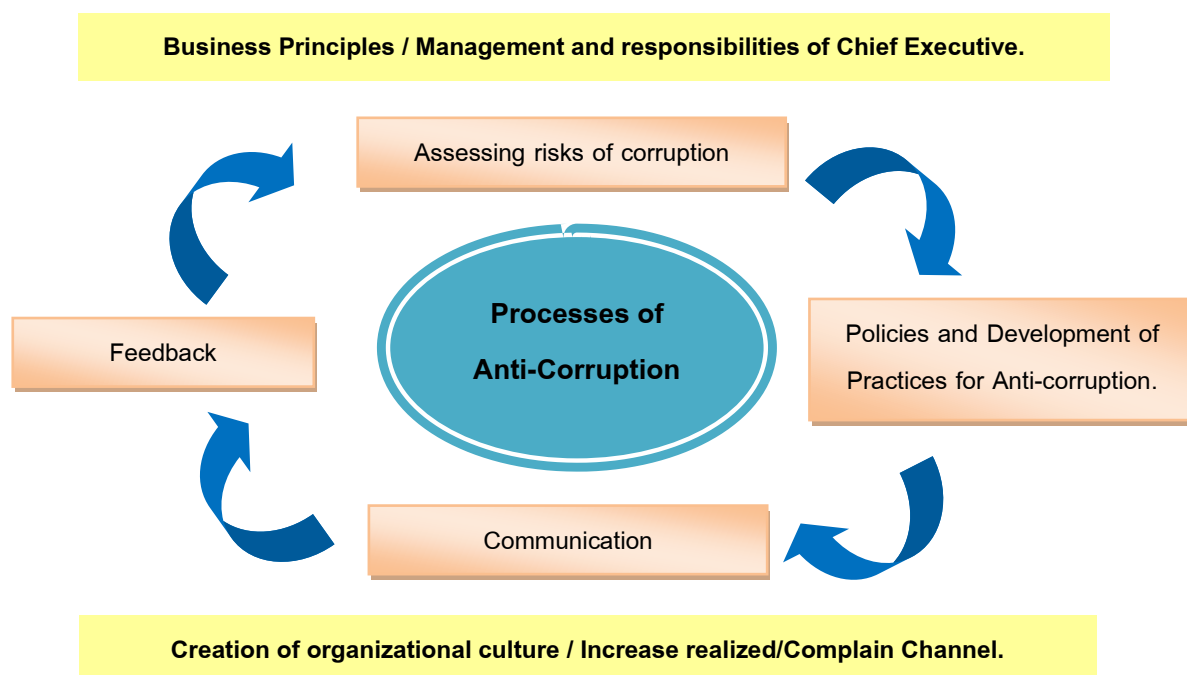
Anti-Corruption Policy

Ratchthani Leasing Public Company Limited recognizes that a corruption harm and hinder social and economic development of the country. Importantly such actions are wrong and create an unfair business environment. Eventually, the corruption adversely will affect the reputation of the company and destroy ethics in business environment. The corruption is not acceptable internationally. Moreover, shareholders, investors and all interested parties will end up losing confidence in the organization. The company, as a key principle in the business, should not support the party or parties who are involved with the exploitation unpleasant receive of benefits whether directly or indirectly from the use of authorized persons. The company is ready to cooperate with the government; civil society Media and international organizations in order to show our commitment to the fight against corruption of all forms.

Director also has approved policies and measures against corruption in the company. To comply with the policies and measures against the corruption of the Thanachart Group, the directors, executive officers and other employees of the company must comply strictly by publishing the rule and regulation on the company's website. (www.ratchthani.com)

The process of assessing risk corruption

Ratchthani Leasing Public Company Limited has prepared procedures to assess the risk of corruption practices to be consistent with the policy against the corruption. The objective is to strengthen ethics practical measures in opposition to the corruption and implemented across the organization as a cultural organization.



Guidelines on governance and oversight to monitor and prevent the risk of corrupt.

Ratchthani Leasing Public Company Limited has prepared procedures to assess risks corruption. Comprehensive risk management processes to corruption. Since the risk is determined by processes that are vulnerable to corruption. Risk Assessment Risk control Monitoring and review of risks. The risks of corruption cover four types of corruptions, such as gifts, hospitality or graft charges, costs and other political support and donate to charity/fund.

Guidelines for the monitoring and evaluation of policies and measures to against corruption

1. Board of Directors has a duty and responsibility to determine and approve policies and measures to against corruption. Monitor the systems that support the fight against corruption effective to ensure that management is aware of the importance and has practiced as a corporate culture.

2. The Audit Committee has a duty and responsibility to ensure that the Company has adequate internal controls and review of compliance with the relevant policies and measures to against corruption effectively.

3. The management's duty and responsibility to promote, support and supervision to ensure that employee and other stakeholders, compliance with policies and measures to against corruption and to review the regulations and standards to comply with the change of regulations and legal requirements.

4. The independent internal audit has a duty and responsibility to monitor and review the work that is to correctly match the policies, practices and procedures. And related laws to ensure that internal controls are appropriate and adequate risk corrupt potential. And report directly to the Audit Committee.

5. Directors, Chief Executive, Member of the executive management team and employees are responsible for compliance with policies and measures to against corruption. Must not get involved in corruption, whether directly or indirectly.

6. Subsidiary companies (if any) or the company's business. The Company has the power must agree to abide by the policies and measures to against corruption company.

Training campaign against corrupt company

In 2014, the company promotes the training to all employees and all levels in the company. Have a better understanding and practice is required by applicable policies of the project "Anti-corruption" below:

1. The Board of Directors and senior management attend training courses Anti Corruption for Executives with the Board and senior management of the companies in the Group. The guest of honor is Dr.Bandit Nijtarvon, Director of Thai Institute of Directors (IOD) of the speakers.

2. Managers attend training courses, "Anti Corruption for Managers."

3. All the operational level employees educate the subject of anti corruption through the handbook of the company about Anti-corruption.



In 2015, the Company has encouraged all and every level of employees on attending the training to have knowledge, understanding, and conduct accurately in accordance with the imperative policy of the anti-corruption project under the program of “Combination Driving Transparency, Anti-Corruption”. Presently, the Company has published such policy through the Company’s website on the topic of “Anti-corruption”, including organizing the self-evaluation for all employees of the Company at least twice of every year in order that they recognize, understand, and appropriately implement to be complied with and same direction with Thanachart group.

Besides, the companies of Thanachart group, including the Company, promoted employees to participate “the Day of National Anti-corruption in 2015” under the concept of “ACTIVE CITIZEN, power of citizen to anti-corruption”, which Prime Minister Gen. Prayut Chan-o-cha was the chairman, held by Anti-corruption Organization of Thailand at Bangkok Convention Center Hall, Centara Grand Hotel located at Central World, Bangkok on Sunday, September 6, 2015.

Channel violations Complaints of corruption and corrupt

Ratchthani Leasing Public Company Limited recognizes the act with integrity, transparency and fairness in accordance with the Code of Conduct and Business Ethics. Policy Governance supports policy Anti-corruption. The company has established a regulation of the Yemeni Raising concerns Complaints about corruption and corrupts (Whistleblower) to grant all employees and stakeholders, who witness incidents to submit information openly or anonymously, together with the facts of committed fraud or corrupt. When witness incidents identify sufficient evidence and show that there are reasonable grounds to believe the action is an act of corruption. Witness incidents can demonstrate through any of the following:

1. Website: www.ratchthani.com about anti-corruption (under topic corruption and corruption).
2. Inform directly to Managing director.
3. Inform directly to Chief Executive Officer of the Company's internal auditors.
4. Notify the supervisor or regulator in the event associated with the executive directors or to report the matter directly to the Chairman of the Audit Committee.

Whistleblower protection and rejection of corruption and corrupt.

The company has set up a mechanism to provide protection to those who cooperate with the company. In the fight against corruption the company will ensure that there will be no damage to anyone who inform about corruption .To achieve a good faith belief that anyone inform about corruption will not suffer or face any damages as follows.

1. The agency has been notified and considers the initial data or information. If the information deserves to be examined in detailed facts, the chief executive of the agency is subject to the approval. Then refer the matter to the relevant authorities to carry out the procedure according to the corporate governance of the Company and regulations regarding the operation of the company respectively.

The Company will investigate the complaint on the basis of facts that are reliable. Find more facts (Not to mention the network card information), not including the complaint or dispute between the parties.

2. We will protect those who cooperate with the company to submit information or rejection of corruption and corrupt associated with the company and will not to have suffered any harm, or do receive a fair due to cooperation in the fight against corruption and corrupt it.

3. We will not reduce the penalty or negative effect for employees or executives who reject corruption and corrupt, although this action will cause the loss of business opportunities.

4. If the whistleblower/complaint is found to be unsafe or may be harmed. The person may request the company to determine the appropriate protective measures.

5. In order to protect the rights of the complainant and providing information in good faith, we will protect the whistleblower or provide information and keep such information confidential. The company will limit the number of people who is responsible for the investigation in an attempt to find out the truth if the violation founds a break of discipline.

6. In the case that employee or manager team others in ways that are unfair or causing damage to another person due to the fact of the person that has to report/ complaint about corruption is consider a breach of discipline.

The "coalition of private practice in Thailand against corruption"

According to Ratchthani Leasing Public Company Limited has signed with a commitment of a unified private practice, Thailand on anti-corruption, on April 18, 2014 and conduct a self-evaluation on measures against the corruption to proceed and obtain certification as a member of the Alliance. On October 3, 2014 the Board of Directors Recruits private practice in Thailand anti-corruption resolved to endorse Ratchthani Leasing Public Company Limited is a membership alignment private practice, Thailand on anti-corruption (Collective Action Against Corruption or CAC) with Thanachart Capital Public Company Limited and related companies of total 10 companies of Thanachart.



On October 16, 2014 Mr.Kovit Rongwattanasophon, Managing Director of Ratchthani Leasing Public Company, is awarded certificates of membership alignment private practice, Thailand on anti-corruption (Collective Action Against Corruption or CAC) from Mr. Parmon Sutiwong, director of Thailand anti-corruption at the national conference on building a unified private practice in Thailand against

corruption (Thailand's 5th National Conference on Collective Action Against Corruption). With representatives of companies in the Group, Certified Company, totally 10 companies on October 16, 2014 at the Crystal Hall Royal Meridien Plaza Athenee, organized by Thai Institute of Directors (IOD) Thai Chamber of Commerce, The Thai Bankers' Association, International Chamber of Commerce, Thai Listed Companies Association, The Federation of Thai Capital Market Organizations (FETCO), The Federation of Thai and Tourism Council of Thailand.



Mr. Virat Chinprapinporn (Chairman) and Asst. Naengnoi Chai-onnom (Independent Director and Audit Committee). Take a photo with Mr. Kovit Rongwattanasophon (Managing Director).

Moreover, in 2015 Thailand's Private Sector Collective Action against Corruption or CAC has established its website to be a channel providing information and transmit activity news to companies participating on programs of CAC. It is also significant channel for companies joining such programs to exchange their experience on resolution, anti-corruption prevention of the private sector, to create cooperation among private companies against corruption which is the major obstruction of business operation as transparently. As a result, the website of CAC is like a mutual property of all companies joined to use this channel for disseminating their information and news to CAC programs and other company members to acknowledge. At the same time, the dissemination of corruption correction and bribery in the private sector is properly deserved the support from the civil society. So, the CAC program has created its symbol.



Ratchthani Leasing Public Company Limited has been received such **symbol (gold)**, which is meant that the Company are passed and certified by CAC and the Company has disseminated such symbol on its website. Therefore, the Company is able to use such symbol for the purpose on the Company's sign of intention and cooperation on all forms of anti-corruption to the public for acknowledgement and create the confidence to stakeholders which complied with and be the same direction same direction with Thanachart group.

Operation Evaluation Project for Business Sustainability

Thaipat Institute is supported by the Office of Securities and Exchange Commission (SEC) to conduct the Anti-corruption Progress Indicator of the listed companies, securities agents, and brokerage of forward contract. It uses the method of Methodology and evaluation criteria developed for assessing operation for sustainability consecutively from 2014 in order that the listed companies, securities agents, and brokerage of forward contract can take such assessment as data for development and improvement planning to enhance the operation continually.

In 2015, Ratchthani Leasing Public Company Limited was received **"level 5"**, the highest score on the Anti-corruption Progress Indicator, which a level can be expanded to related persons to recognize that the Company has the policy not to affiliated with all corruption and reflecting the transparency of the Company.

DIRECTOR



Mr. Virat Chinrapinporn
Chairman, Executive Director
Authorized Director



Mr. Charoensook Kititti
Director
Authorized Director



Mr. Kovit Rongwattanasophon
Director & Managing Director
Chairman of Executive Director
Authorized Director



Mr. Anuwat Luengtaeekul
Director
Authorized Director
Member of the Nomination
and Remuneration Committee



Mr. Wuttichai Suraratchai
Director / Executive Director
Authorized Director



Mr. Praphan Anupongongarch
Director / Executive Director
Authorized Director

ENHANCED



SUCCESS



Mr. Suvit Arunanondchai
Independent Director Audit Committee (Director)
The Nomination and Remuneration
Committee (Chairman)



Thakol Nunthirapakorn, Ph.D.
Independent Director
Audit Committee (Chairman)



Mr. Surapon Satimanont
Independent Director
Audit Committee (Director)



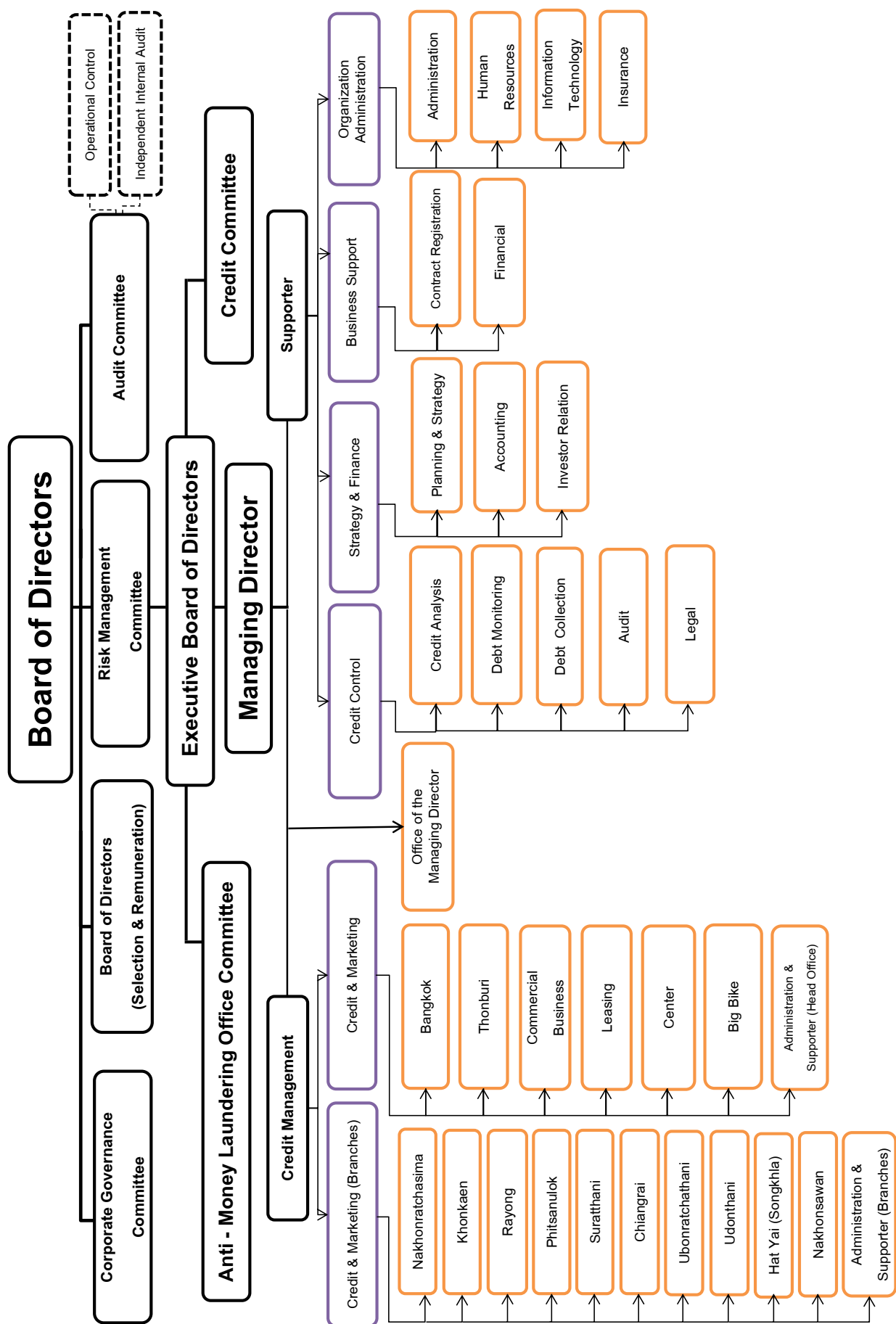
Mr. Varavudh Varaporn
Independent Director
Audit Committee (Director)
The Nomination and
Remuneration Committee (Director)



Asst.Prof. Naengnoi Chai-Onnom
Independent Director
Audit Committee (Director)



Mr. Anuchart Deeprasert
Director
Authorized Director



Policy and Overall business Operations

For 2015, Ratchthani Leasing Plc., continued loan growth by focus on trucks (both new and used trucks) which are the major auto loan also the Company was expert on the market segment. Currently auto loans proportion consist of trucks about 72 percent of overall and others auto loans as private car, pickup truck, taxi, big bike are nearly 28 percent of total loans. However, the Company's policy emphases on rate of return of hire purchase lending by selection on high yield auto loan types.

Background and Key Development

Background

Ratchthani Leasing Plc. ("the Company") was incorporated on 2 June 1988 under the original name "Ratchthani Leasing Co., Ltd.", with an initial capital of Baht 6 million to provide pre-owned car hire-purchase services. Since its inception, the Company had increased its capital as its business expands. Its capital was raised to Baht 36 million in the year of business started up and then to Baht 56 million and Baht 168 million in 1992 and 1995, respectively.

In the initial business operation, the Company rendered pre-owned car hire-purchase financing both to retail customers through used car dealers and a floor plan credit for their purchase of used car for sales. The two credit types in the past were in about the same proportion. The Company has stopped the floor plan credit since 1995 and accentuated merely on financing to the retail customers since then. However, in 2004 and in 2005, the Company conducted the feasibility study with an aim to reactivate "floor plan" credit offered to 2 used-car dealers and 4 used-car dealers, respectively for their purchase of used car for sales, a limit of not more than Baht 7 million per transaction with 3-6 months tenures. Car registration cards are collaterals against such credit lines. The purposes of reactivate "floor plan" credit were to maintain market shares and expand to new markets. However, the Company has stopped the floor plan credit since 2006 because "floor plan" credit was not aim to be major business.

In 2000, the Company joint as the member of the Hire-Purchase Association of Thailand to obtain information of pre-owned cars to benefit its operation. At present, the Department of Credit Analysis & Inspection and the Department of Marketing comprise 237 experienced employees to search new customers. They can build good relationships with dealers and station at the dealer's offices who are the Company's business partners. The Company selects and authorizes the dealers according to the Company's careful partner selection and examination procedures.

Important Development

● Business Operation

2002 The Company was transformed from a limited company to public company limited and renames Ratchthani Leasing Plc. in August 2002. In 19 December 2002, the Company was being a listed company in the Stock Exchange of Thailand.



2003	The Company had a plan to develop the data information system. Customers access to the Company's website and get important basic information and news e.g. a used car's fair value price. Barcode was applied for payment of installment fees and service fees. New payment channel was added such as ATM to be a convenience choice of payment.
2004	In January, the Company became the member of Thai Credit Bureau to be able to access customers' credit information for credit analysis and to protect our performance customers.
2006	
March	On 22 March, the Company started a new branch, which located on outer ring Kanjanapisek Bangkok. The Company had planned to expand others 1 branch in the year to cover 3 corners of Bangkok to support services to individual customers requiring loans and re-hire purchase car loans.
August	Siam City Bank Plc. became the major shareholder holding 39.76% of the total paid capital. It appointed 4 representatives to be the Company's directors according to the share proportion.
2007	The Company had policy to develop Management Information System to support the market expansion to regional offices across the country.
2008	Company had opened 5 branches, i.e. Khon Kaen, Nakhon Ratchasima, Phitsanulok, Rayong and Ratchaburi (Ratchaburi branch was later closed.)
October	The Company began to operate financial lease and operating lease for used cars which has value more than 1 million Baht to juristic person customers.
2010	The Company opened another branch at Surat Thani Province in the southern of Thailand to cover all areas across the country.
2011	The Company had opened another branch at Chiang Rai Province in the northern of Thailand to cover all areas across the country.
2013	The Company had opened another branch at Ubon Ratchathani Province in the north-eastern of Thailand to cover all areas across the country.
2014	
April	The Company had opened 1 more branch at Udon Thani Province in the north-eastern of Thailand to cover all areas across the country.
August	The Company had opened 1 more branch at Hat Yai, Songkhla Province in the southern of Thailand to cover all areas across the country.
December	The Company had opened 1 more branch at Nakhorn Sawan Province in the northern of Thailand to cover all areas across the country.

● **Funding**

2002	The Company mobilized additional fund for business expansion by increasing the capital from Baht 168 million to Baht 208 million. The Company issued and offered new ordinary shares valuing Baht 40 million to the existing shareholders. By a resolution passed by the Extraordinary General Meeting No. 3/2002 of the Company's shareholders on 28 July 2002, the Company was transformed to "the Public Company Limited". The name was changed to "Ratchthani Leasing Public Company Limited". The registered capital was increased from Baht 208 million to Baht 300 million through the issuance of 18,400,000 new shares with par value of Baht 5 each. The new shares of 16,800,000 shares were allocated to offering to the general public at Baht 8.00 each the remaining 1,600,000 shares were allocated to the Company's employees at 6.40 each.
2003	The Company issued fixed-interest-rate debentures to institutions on 20 August 2003 named " Guarantee Debenture type period pay out principle of Ratchthani Leasing Plc. No.2/2003 Redemption in 2007". The Debenture Bond had the amount of Baht 1,000 billion, par value of Baht 1,000 each, fixed interest rate of 3.2% per annum and 4-years periods of payment. The Company issued five-year warrants of 200 million units to shareholders whose names appeared in the shareholder's registration book on 10 July 2003, at ratio of three new shares for two units of warrants (all three series). The two units of warrants comprise one unit of warrant 1, 0.6 unit of warrant 2, and 0.4 unit of warrant 3. All the warrants are callable. The warrants were issued free of charge. The warrants have an exercise price of Baht 1.00 at the rate of one warrant per one ordinary share. The Company therefore increased its registered capital from Baht 300 million to Baht 500 million.
2005	
April	On 12 April 2005, the major shareholder structure was changed to Pongjatura holding 20.61% of the issued and fully-paid up capital of 401,098,495 Baht. However, The management team and business operation remained unchanged.
April-May	At the end of 31 December 2005, The Company had treasury shares of 1.3 million shares, costing Baht 1.84 million. Such treasury shares were purchased during the period of 26 April 2005 to 3 May 2005. The share repurchases objective was for financial management purpose. The holding repurchase periods shall be not less than 6 months but not longer than 3 years. The Company appropriated its retained earnings as a reserve equal to the amount paid for the repurchase shares in line with Section 66/1 (2) of the 1992 Public Company Act B.E. 2535 (1992).



October The Extraordinary General Meeting No. 1/2005 on 15 October 2005 passed the solution to increase the registered capital from Baht 500 million to Baht 986 million. New shares of 486 million shares with par value of Baht 1 each were issued to the following: 1) the existing shareholders whose names appeared in the shareholders' registration book in the amount of 125 million shares at par value (at the ratio 1:1 and 2) the private placement or institutions in the amount of 150 million shares (warrants of 75 million units). Otherwise the Company appropriated 11 million newly issued shares for warrant exercises (No.1 Series 2 and Series 3).

2006

January On 25 January, the Board of Directors passed resolution to offer new ordinary shares In the amount of 150 million share, and warrants in the amount of 75 million units to Siam City Bank Plc.

February On 27 February, the Board of Directors signed in MOU with Siam City Bank Plc. to sell and offer new ordinary shares in the amount of 150 million shares at Baht 1.15 per share, the total amount in Baht 172.5 million; and offer the warrants in the amount of 75 million units, to Siam City Bank Plc. The deal was subject to the permission from Bank of Thailand or concern departments and the Company's asset examination results.

April On 3 April, the Company sold treasuries stocks of 1.3 million shares though the Stock Exchange of Thailand. The Company followed the fair price method which was not less than 85% of an average 5-day closing price.

August In the Extraordinary Shareholders' Meeting No. 1/2006 on 11 August 2006, the Meeting agreed to follow the capital increase resolution of the Extraordinary Shareholders' Meeting No. 1/2005 on 15 October 2005. The registered capital was increased from Baht 500 million to Baht 986 million. The new shares of 486 million shares with par value of Baht 1 each were issued. The Meeting also approved to correct the details of allocation and offering the ordinary shares as follows:

- 1) Offering the ordinary shares in the amount of 265 million shares to Siam City Bank Plc.
- 2) Allocating the ordinary shares in the amount of 132.5 million shares to support the exercises of warrants offered to Siam City Bank Plc.
- 3) Offering the ordinary shares in the amount of 80.5 million shares to support the exercises of warrants of existing shareholders upon the right issue.
- 4) Offering the ordinary shares in the amount of 8 million shares to support the exercises of warrants of the Company No.1 Series 2 and Series 3.

September	On 5 September 2006, Siam City Bank Plc. paid cash in the amount of Baht 304.75 million for ordinary shares in the amount of 265 million shares in the price of 1.15 per shares. Then, Siam City Bank Plc. became a major shareholder holding shares of 48.32%. The Company registered the additional share capital to the Ministry of Commerce, a total amount of Baht 666,524,480 from Baht 401,524,480 (par value 1 Baht each).
2008	Warrants Series 2 and 3 were exercised to 166 shares of common stocks with the exercise price at Baht 1 per share and The Company has been registered at the Ministry of Commerce, the paid-in capital of Baht 666,524,646.
2009	
September	Warrants Series 4 were exercised in an amount of 266,666 shares with the exercise price at Baht 1 per share. The Company registered the exercise at the Ministry of Commerce, the paid-in capital of Baht 666,791,312.
November	Warrants Series 4 were exercised in an amount of 155,802,594 shares with the exercise price at Baht 1 per share. The Company registered the exercise at the Ministry of Commerce, the paid-in capital of Baht 822,593,906.
2010	
March	Thanachart Bank Plc., acquired ordinary shares in Siam City Bank Plc., from the Financial Institutions Development Fund. Thanachart Bank Plc. then became the major shareholder of the Company. In this year, Thanachart Bank Plc. had a tender offer to buy 215,000 shares so, at the end of 2010, Thanachart Bank Plc. held 48.35% of the total paid-up registered capital of the Company.
2011	
April	The Company registered the capital increase at the Ministry of Commerce to support share dividend to the existing shareholders. The registered capital was increased from Baht 822,593,906 to Baht 904,853,296.
November	The Company increased capital and registered the capital increase at the Ministry of Commerce. The registered capital increase from Baht 904,853,296 to the new ones of 1,342,349,708. The capital increase was offered to the existing shareholders. As a result, Thanachart Bank Plc. became the major shareholder holding 874,973,000 shares, representing 65.18% of its paid-in capital.
2012	
April	The Company issued and offered 3 series of named and unsubordinated bonds without collateral to the public, a total value of Baht 6,000 MB. The offers comprised 2-year bonds, 3-year bonds and 4-year bonds, with interest rates of 4.90%, 5.20% and 5.50%, respectively. The bonds will be due in April 2014, 2015 and 2016, respectively.
November	The Company issued and offered 4-year named and unsubordinated bonds without collateral to the public, a total value of Baht 3,000 MB. The interest rate was at 5.00% and the bond will be due in November 2016.



2013

- April** By resolution of the General Meeting of Shareholders No. 1/2013 held on April 2, 2013 was approved to increase capital from Baht 1,342,349,708 to Baht 1,610,819,649 to support stock dividend. The stock dividend payment was pay to the existing shareholders with the ratio of 5 exciting common stock per 1 new common stock for the fractional share pay by cash. Then the total stock dividend payment was 268,469,941 shares and the Company paid-in capital was Baht 1,610,819,597 (at par value of Baht 1.00 per share)
- June** The company has issued and offered the debenture to the general public. Named and Unsubordinated, unsecured, interest rate of 4.70 percent, 4 year maturing in June 2017 of 2,000 million baht.
- August** The company has issued and offered the debenture to private placement. Named and Unsubordinated, unsecured, interest rate of 4.759 percent, 4 year maturing in April 2017 of 760 million baht.
- October** The company has issued and offered the debenture to the general public. Named and Unsubordinated, unsecured, interest rate of 4.80 percent, 4 year maturing in October 2017 of 3,000 million baht.

2014

- April** By resolution of the Annual General Meeting of Shareholders No. 1/2014 held on April 2, 2014, approved a capital increase from authorized capital previously. The registered capital of Baht 1,610,819,597 to Baht 2,013,524,496 by issuing new shares increased by 402,704,899 shares with par value of Baht 1.00 per share dividend for the ordinary shares of the Company. Representing a dividend of Baht 0.25 per share to existing shareholders in the ratio of 4-to-1 stock dividend shares if the shares of Common dividends calculated as a fraction of a share. The company will pay the fraction of a share dividend is paid to shareholders. To be paid at the time. The company has a paid-up capital. Baht 2,013,522,778 (2,013,522,778 ordinary shares with par value of Baht 1.00 per share).
- The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 3 years and 9 days, the interest rate of 4.25 percent, maturing in May 2017, value 200 million baht.
- The company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated Representatives and unsecured bondholders 2 years, 11 months and 28 days, interest rate of 4.25 percent, maturing in April 2017 value 80 million baht.

May	The Company has issued bonds offered for sale to the public in general. Debenture holders are unsubordinated and unsecured bondholders are representative of 4 years, 4.75 percent interest rate maturing in May 2017 of 2,000 million baht. The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the 3-year 18-day interest rate of 4.25 percent due in June 2017, value 210 million baht.
July	The Company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the 3-year and 7-day interest rate of 4.22 due in July of 2017, value 150 million baht.
September	The Company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years and 10 months 4.10 percent interest rate maturing in July 2017, value 300 million baht.
2015	
April	By resolution of the Annual General Meeting of Shareholders No. 1/2015 held on April 8, 2015, approved a capital increase from authorized capital previously. The registered capital of Baht 2,013,522,778 to Baht 2,416,227,333 by issuing new shares increased by 402,704,555 shares with par value of Baht 1.00 per share dividend for the ordinary shares of the Company. Representing a dividend of Baht 0.20 per share to existing shareholders in the ratio of 5-to-1 stock dividend shares if the shares of Common dividends calculated as a fraction of a share. The company will pay the fraction of a share dividend is paid to shareholders. To be paid at the time. The company has a paid-up capital. Baht 2,416,227,209 (2,416,227,209 ordinary shares with par value of Baht 1.00 per share). The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years and 3 months, the interest rate of 3.35 percent, maturing in July 2017, value 200 million baht.
September	The Company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years, 11 months and 25 days, 3.10 percent interest rate maturing in August 2018, value 150 million baht. The company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 3 years, 3.10 percent interest rate maturing in September 2018, value 350 million baht.



The company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years, 11 months and 19 days, 3.10 percent interest rate maturing in September 2018, value 150 million baht.

October

The Company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years, 11 months and 22 days, 3.00 percent interest rate maturing in September 2018, value 150 million baht.

The company has issued bonds in a private placement offering. To investors are not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 3 years and 1 day, 3.00 percent interest rate maturing in October 2018, value 300 million baht.

Nature of Business Operation

Services

The company has operated business on hire-purchase and hire-purchase financing loans. The company has emphasized on some market segments which we have expertise such as new and used commercial cars (pickup vehicle, taxi, trailer, etc.), and used personal cars. As of 31 December 2015, hire-purchase loans to used-cars were at 48% of the total portfolio. In addition, in year 2015 the company focused on truck hire-purchase, both new and used ones. Truck hire-purchase covered 72% while other vehicle hire-purchase was at 28%. Ownerships were transferred after all installments were fully paid.

Risk of used-car hire-purchase is fairly high, compared to that for new cars. Then still have a risk from major customers is commercial cars, which susceptible with overall domestic economy. The company therefore considers several factors such as car physical conditions, market price, registration examination, etc. The company has experienced teams to inspect used-car conditions and prices.

In addition to the aforementioned hire-purchase services, the company has several after-sales services such as registration renewal, insurance renewal, car inspection before annual tax payment. These services not only serve customers but also are other sources of our income protect customer assets and avoid the company's damage.

Income Structure

The income structure of the Company according to the financial statements for the fiscal year ended December 31, 2013, 2014 and 2015 is shown as follows.

Income	2015		2014		2013	
	Baht million	%	Baht million	%	Baht million	%
1. Income from hire-purchase agreements						
- personal cars	544.96	19.59	439.92	15.97	379.13	15.82
- commercial vehicles	1,794.93	64.52	1,938.04	70.38	1,715.36	71.56
Total income from hire-purchase agreements	2,339.89	84.11	2,377.96	86.35	2,094.49	87.38
2. Income from financial lease accounts	21.60	0.78	19.33	0.70	16.64	0.69
3. Other income						
- Fee and service charge	134.51	4.84	122.53	4.45	76.22	3.18
- Loan default penalty	96.31	3.46	75.15	2.73	60.07	2.51
- Bad debts recovered	4.78	0.17	5.34	0.19	5.07	0.21
- Commission on insurance premium	101.30	3.64	74.59	2.71	104.99	4.38
- Other income*	83.43	3.00	79.03	2.87	39.51	1.65
Total other income	420.39	15.11	356.64	12.95	285.86	11.93
Total income	2,781.88	100.00	2,396.99	100.00	1,583.48	100.00

Note (*) Most of other income came from legal compensation, miscellaneous income, interest receivable from banks and dividend.

Markets and Competition

In 2015, hire-purchase and leasing industry had a slight growth, compared to the past years but competition remained severe. Major players, namely, financial institutions, commercial banks, leasing companies of manufacturers and dealers focused on hire-purchase, both new and used-cars. Some enterprises adjusted strategies and moved to used-car markets. However, they were not direct competitors of the company because our key market was commercial cars, both new and used ones, provided that the competition of this segment was not high.

The company's key target groups included individual persons and juristic persons who were recommended by used-car sellers. In 2015, the hire-purchase portfolio of individual persons was at approximately 80% of the total portfolio. The company was committed to efficient, fast, convenient and friendly services for customers and car sellers. After-sales services also were improved and developed consistently. As a result, the company successfully maintained existing customers and had new customers by recommendations of existing customers and sellers. From the part experiences, if existing customers repaying all or partial loans wished to buy new cars, they would use the company's services again. The company's competitive strategies are summarized as follows.

1. Emphasize on fast services, both pre and post sales, as well as service capabilities. The company has staff working at used-car shops. Car registration staff is ready to coordinate with credit staff to facilitate loan approval. Payment to sellers was done fast and on time.
2. Emphasize on niche markets which the company has skill and expertise i.e. used-cars, and new and used trucks. The company has conducted this business for more than 25 years. Our staff has market knowledge and understanding, including price appraisal expertise so this is one of our advantages over new coming competitors.
3. Give priority to a full range of services such as registration renewal and insurance renewal to provide convenience to customers and it is another source of revenue.
4. Create good relationships with customers and used-car sellers by quality, fast and convenient services. Good returns and consistent services are offered to sellers. Credit lines are sufficiently and consistently offered to customers. This is to ensure confidence and trust of sellers and expand business opportunities of the company in the future.
5. Emphasize on loans for quality used-car sellers selling good cars with reasonable prices, correct car registration and/ or guaranty. This is to reduce risks on collateral (car quality). Accordingly, the company has recognized risks of used-car hire-purchase i.e. debtor quality and car quality while risks of new car hire-purchase is debtor quality only.
6. Give priority to the company's existing personnel and recruit new staff with used-car market expertise and experience to join credit teams. Develop and educate staff and motivate them in terms of returns and other benefits.

However, in the next 3 – 5 years, the company has planned to retain commercial car hire-purchase ratio at 75 – 80% of the total portfolio. This segment has been growing consistently and resulting in higher profitability with low risks compared to personal car segment. (Normally, after seizing collaterals and auctions, the company would sell them at prices closed to debt amounts.) With this strategy, the company will not compete with large financial institutions having lower operating costs, and will have more competitive advantages.

In addition, with long experience and business expertise, the company is able to create competitive advantage, long-term relationship and generate good return to used-car sellers. The company will provide fast services to keep marketing shares and strengthen relationships with used-car sellers to increase business opportunities and channels.

Products and Services

The company's Marketing Division has long experience on used-car markets and is responsible for customer acquisition. Good relationships with used-car sellers have been created. Used-car sellers which are the company's trade partners should be approved and examined. Accordingly, the company has not made any agreement with sellers.

Presently, the company has more than 1,000 partners, provided that all are car sellers located in Bangkok Metropolis, its surroundings and major provinces. About 500 sellers are regular partners. The company will not lend to customers through any seller more than 30% of the total portfolio. Ordinarily, car sellers deal with service hire-purchase enterprises. Their recommendations to customers on hire-purchase selection depend on the following factors.

- Relationships between car sellers and the company
- Quality and fast services
- Fast and on-time payment to car sellers
- Consistent and sufficient credit lines
- Collaboration and support to sales promotion occasionally held by car sellers

However, with business experience and long-term relationships with car sellers, the company is a sole hire-purchase provider of some large car sellers.

Source and Use of Funds

Sources of funding comprised not only the capital but also loans from financial institutions. As of 31 December 2015, 2014 and 2013, the company's sources of funding were summarized as follows.

Items	As of 31 December					
	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Shareholders' equity	4,564.26	15.81	3,879.05	14.23	3,223.28	12.09
Loans						
Shore-term loans*	7,403.38	25.65	7,055.53	25.88	7,007.20	26.29
Long-term bonds***	15,500.00	53.69	15,700.00	57.59	14,760.00	55.38
Long-term loans	1,399.72	4.85	624.79	2.29	1,662.00	6.24
Total loans**	24,303.10	84.19	23,380.32	85.77	23,429.20	87.91
Total	28,867.36	100.00	27,259.37	100.00	26,652.48	100.00

Note : (*) Classify short-term loans, overdraft, long-term loans to be paid within 1 year.

(**) Other current liabilities are not counted as liabilities from normal business such as transfer amount to be written off, creditor – Revenue Department, petty cash, creditor – insurance and others.

(***) Long-term bonds are the amount before expenses on bond issue to be written off as of 31 December 2015, of 24,303.10 million Baht. The payment schedule is determined as follows.

As of 31 December 2015, the loans were at 24,303.10 million Baht with the following repayment schedule.

Payment Schedule	million Baht
Within 1 year	12,903.38
1 – up to 2 years	7,399.98
2 – up to 3 years	3,999.74
More than 3 years	<u>0.00</u>
Total	<u>24,303.10</u>

Regarding the hire-purchase debtors excluding debtors with more than 4-month accrued balances and debtors under prosecution process, the company has the debtor balances as follows.

Debtor Payment	Hire-purchase	Financial Lease Agreement	Total
Within 1 years	13,037.33	116.83	13,154.16
1 – up to 2 years	9,949.93	105.59	10,055.52
2 – up to 3 years	6,454.84	85.04	6,539.88
More than 3 years	<u>3,645.17</u>	<u>91.23</u>	<u>3,736.40</u>
Total	<u>33,087.27</u>	<u>398.69</u>	<u>33,485.96</u>

As of 31 December 2015, the company had the loans to be paid within 1 year (including overdraft and short-term loans) of 12,903.38 million Baht and the long-term loans to be paid within 1 – up to 2 years of 7,399.98 million Baht. The debtors to be paid within 1 year of 13,154.16 million Baht and the debtors to be paid within 1 – up to 2 years of 10,055.52 million Baht proved that the company had sufficient sources of funding to repay the loans to be paid within 1 year. The loans to be paid within 1 year composed overdraft, promissory note of financial institutions and external persons, and long-term loans to be paid within 1 year.

Importance of liquidity has been recognized. The company has new sources of funding i.e. long-term loans with fixed interest to be consistent with debtor repayment. This reduces interest rate risk and mismatch fund risk, provided that the company has closely monitored such risks.

Company's Goals and Business Plans in Next 5 Years

For the last-year operation, the Company closely monitored impact of several domestic and international factors. The Company has collaborated with the management of Thanachart Bank Plc., our major shareholder. We have created competitive advantages and set credit strategies. The target groups of the Bank and the Company have been clearly determined. In addition, by our skills and expertise, the Company continues to expand leasing ports in the future. The business plans for the next 5 years are summarized as follows.

1. To expand new branches to support hire purchase and to cover broader areas. This is to ensure fast and correct loan origination process to maximize customer satisfaction.
2. To expand credits to commercial vehicles such as cranes, forklifts and big bike across the country, via the Company's branches.
3. To expand credits to specific-purposed vehicles such as cranes, forklifts, motorcycles, excavators, dozers and others which requires high expertise on price appraisal.
4. To revamp financial structures more properly to reduce business costs and enhance the Company's competitive advantage.
5. To retain existing customers and add fast and convenient services to maximize customer satisfaction.
6. To maintain valuable personnel; develop and create credit officers with skills and expertise to support business expansion in the future.

Risk Factors

Risk from Interest Rate Fluctuation

The Company has main source of income from interests earned on financing at fixed rate while some parts of funding costs are from financial institutions at floating rate which vary with the prevailing market rate. The fluctuation of the market interest rate can cause a mismatched fund that affects the Company's Interest margin. If the fluctuation continues and loan rate increase, the interest spread may reduce. However, the Company manages risks through expanding commercial vehicle financing which have higher returns refinancing loans from financial institutions with lower interest loans. This aims to maintain the interest spread constantly.

Risk from Mismatch Lending and Borrowing Periods, and Financial Liquidity

Most of leasing companies, including the Company, have mismatch risks due to the difference of lending periods and borrowing periods, including financial liquidity. Previously, the credit periods granted to customers are normally 1- 5 years while the Company's main long-term loans from financial institutions and others debt installment are about 1-4 years. It is a duration gap and may cause mismatch funds which results in lack of operational liquidity. The Company acknowledges this problem and manages the risks. To manage funds more efficiently, the Company has reclassified leasing customers into long-term and short-term ports. The Company also adjusts lending periods in consistent to borrowing periods. The proportion of new sources of funds with proper borrowing period increases. It can reduce the mismatch and the Company is able to manage costs of fund more efficiently and has lower liquidity risks.

Market and Competitive Risk

The automobile industry and car sales have been growing consistently and have attracted several new players to start their auto leasing and hire-purchase business. Many of them are businesses owned by financial institutions or commercial banks after the Bank of Thailand announced the Financial Sector Master Plan, allowing the commercial banks to freely conduct automobile financing business in Thailand. Automobile manufacturers and dealers, with a large amount of foreign fund and low financial costs are able to conduct hire-purchase and leasing business, resulting in severe completion in leasing and hire-purchase business.

In 2015, the Company maintains term of installment of hire-purchase and leasing for commercial vehicles within 65-70% of the total leasing port. The Company expected that this segment will continue to grow; and have higher profit margin with lower risk than the private car segment. (Normally, if the Company repossessed this kind of vehicles, selling prices are closed to debt amounts.) Therefore, the Company can avoid direct competition with large financial institutions, which have lower operation costs, and increase our competitive opportunity.

Operation Risk from Non-performing Loans (NPLs)

The operational risk from NPLs of the leasing business is unavoidable since customers may not be able to repay loans due to their own problems, e.g., payment for healthcare and cost of maintenance of cars that are in paying, and external factors such as economic problems, higher oil prices, discharge and natural disasters. These factors cause customers unable to repay on time and generate NPLs. Hence, the Company has focused and emphasized on credit quality, debt monitoring, good internal control system and stringent credit lending policy in order to minimize NPLs. The operational risk is controlled and reduced NPLs at a certain level not affecting the overall operation.

The Company has in place the risk management process to control NPLs as the follows.

- The Company uses the risk management system to control the credit quality by checking the payment customer behaviors with National Credit Bureau Co., Ltd. in order to screen out customers who are incapable of repayment. The scoring system is applied to assess the customer's quality as well.
- The Company controls the efficiency of the debt collection based on the number of deferred customers; and the strict debt collection policies to ensure the fastest recovery of overdue debts, which can be described as follows. Upon missing the first payment schedule, the borrower will receive the first warning notice from the Company, and will also be contacted by a credit control officer. The Company then immediately starts the calculation of penalty, based on the guidelines from the Office of the Consumer Protection Board (OCPB). OCPB sets the penalty rate equal to MRR interest rate of the Krungthai Bank PCL plus 10% annually. Following the second and the third delayed payments, the credit control officer will send out further notices and contact the debtor and guarantor, and will then issue a report detailing the results of the primary follow-up, as well as his recommendations. If the borrower fails to make 3 payments, the credit control officer will submit a report to the Collection Department in order to revoke the hire-purchase contract within 30 days. If the customer does not contact the Company within this period, the Company will proceed with repossession of the contracted vehicle. If the Company is unable to repossess the car, or if the repossessed car can only be auctioned at the lower price than the outstanding debt amount, the Company will subsequently take legal action on the customer and his guarantor in order to minimize the loss as much as possible. Furthermore, the Company will put this debtor on the Black List for future reference.

Furthermore, the Company has a reporting system for the current status of the credit quality as well as a credit monitoring process to prevent deferred payment. In the event of a customer delaying his payment, the Company will closely monitor the customer's behavior since the first delayed installment and collect all related information to use as guidelines for risk management on that customer.



Risk from Financing Second-hand Vehicles

The Company's primary business is the second-hand vehicle leasing and it may have a certain level of operational risks from vehicle inspection and pricing. The risk extends to the cases where the Company has to repossess the contracted vehicles and sell at a price below the outstanding as the Company has to auction that vehicle in its present condition, which greatly depends on mileage, condition and popularity of the repossessed vehicles. As of 31 December 2015, the proportion of second-hand car credits was at approximately 45% of the total hire-purchase and financial leasing port.

The Company implements a measure to minimize such risks by using qualitative car inspection and experienced staffs and expertise to evaluate the vehicle together with the tightly credit improvement. Also, the Company selects second-hand car dealers who meet the standard, offer good quality cars at a reasonable price and provide quality assurance for the car after sold. The Company also analyzes payment behaviors of the customers who the dealer submits in for the financing application.

Risk from Sales of Repossessed Vehicles

After repossessing vehicles, the Company will sell them through auctions. In case the auction price is lower than an outstanding value, the Company can demand the remaining value from the customer or the guarantor. However, if the Company cannot claim the outstanding, then the Company will have to bear the loss. The auctioned price depends primarily on the condition, mileage and the popularity of the repossessed vehicle model, as well as the general market demand for cars at the time.

For the year 2013, The value of second hand car was highly drop down means that there was loss incurred from the sales of repossessed second-hand cars in all company which in the same industry. The Company expected the value of second hand car will be normal situation in 2014. However, the Company manages the risk from the sales of the reprocesses vehicles by monitoring the credit continuously and closely in order to prevent the outstanding installment leading to the repossession. Besides, the Company may bright the customers and guarantors to the lawsuits for the repayment of the loss after the repossession in order to minimize the Company's loss. The Company repossessed 492, 527 and 734 vehicles and has the loss from sales of the repossessed vehicles in the amounts of Baht 41.98 million, Baht 47.16 million, and Baht 121.17 million in 2013, 2014 and 2015 respectively.

Risk from Reliance on Specialists

The Company's business relies on skilled and experienced employees specializing in second-hand vehicle inspection and pricing. This provides the Company with advantages over competitors. Together with staffs who are experts having experience in marketing and customer services, they can build good relationships with dealers and station at the dealer's offices who are the Company's business partners. The Company selects and authorizes the dealers according to the Company's careful partner selection and examination procedures. The Company also maintains good relationship its dealers by assuring that the payments for the contracted vehicles are timely paid.

In addition, the Company's sales team focuses on facilitating customers and dealers as well as providing and continuously improving after sales services, thus the Company can manage to secure the existing customers and expand its customer base, with recommendations from both its existing customers and dealers. Most existing customers, both who have completed their installment payments and who are currently in contract but wish to switch to another car, usually come back to the Company for another service.

Losing such dependable employees will most likely affect the short-term operation. Therefore, the Company sets a policy to keep employees with various long-term incentives for them to continue working with the Company and appropriate training and development programs.

Risk of Potential Debts

In the past 3 years, the Company continued to expand its credit business. As of 31 December 2013, 2014 and 2015, the Company had net leasing and hire-purchase debtors of Baht 26,833.40 million, Baht 27,304.18 million and Baht 28,920.28 million, respectively. It is necessary to increase lending in the future for the business expansion, which may generate risks in potential future debts.

However, to manage such risks, the Company has adequate loans from various sources e.g. capital markets, bond markets, including debt instrument markets, financial institutions and related companies. Hence, the Company has adequate funds for business expansion as planned. To support business operation, the Company has sources of funding with low costs under its financial structures and liquidity, provided that the benefit of the shareholders and stakeholder are significant.



Shareholding Structure and Dividend Payment Policy

Shareholders

The company's top ten major shareholders as of December 30, 2015 are listed below:

No.	List of names	Number of shares held	%
1	Thanachart Bank Plc.	1,574,951,400	65.18
2	Mr. Charoensook Kititti	89,657,318	3.71
3	Thai NVDR Co., Ltd.	39,643,868	1.64
4	Mrs. Naowanart Chamornmarn	21,000,000	0.87
5	Phatra Capital Public Company Limited	18,926,550	0.78
6	Mrs. Wilawan Rongwattanasophon	14,005,000	0.58
7	Mrs. Siriwong Rongwattanasophon	12,470,436	0.52
8	SCB MAI Stock Long term Equity Fund	11,543,700	0.48
9	Mr. Winai Thongsong	9,800,000	0.41
10	Mr. Pichit Raksadhamcharoen	9,240,000	0.38
11	Others	614,988,937	25.45
Total		2,416,227,209	100.00
Par Value of Baht 1/share			

Dividend Payment Policy

The Company has Dividend Payment policy by paying not less than 50% of net profit.

Dividend payments to existing shareholders

By the resolution of the Shareholder's General Meeting No. 1/2013 on 2 April 2013, the Company was authorized to pay cash dividends to its shareholders at Baht 0.03 per share and to pay share dividends of 268.47 million shares (5 existing share to 1 share dividend). The total dividend valued Baht 0.23 per share.

By the resolution of the Shareholder's General Meeting No. 1/2014 on 2 April 2014, the Company was authorized to pay cash dividends to its shareholders at Baht 0.03 per share and to pay share dividends of 402.70 million shares (4 existing share to 1 share dividend). The total dividend valued Baht 0.28 per share.

By the resolution of the Shareholder's General Meeting No. 1/2015 on 8 April 2015, the Company was authorized to pay cash dividends to its shareholders at Baht 0.03 per share and to pay share dividends of 402.70 million shares (5 existing share to 1 share dividend). The total dividend valued Baht 0.23 per share.

Management Structure

The Company's Board of Directors and executives are composed of experts with complete qualifications as prescribed in Section 68 of the Public Company Act B.E. 2535 and the Notification of the Securities and Exchange of Commission No. KorJor. 12/2543 Re: Application for Permission and Permission to Sell Newly Issued Shares dated March 22, 2000.

Board of Directors

As of December 31, 2015, THANI's Board of Directors was composed of twelve members:

	Name	Position
1.	Mr. Virat Chinrapinorn	Chairman of the Board of Directors
2.	Mr. Charoensook Kititti	Director
3.	Mr. Kovit Rongwattanasophon	Director
4.	Mr. Wuttichai Suraratchchai	Director
5.	Mr. Anuwat Luengtaweekul	Director
6.	Mr. Anuchart Deeprasert	Director
7.	Mr. Praphan Anupongongarch	Director
8.	Ph.D. Thakol Nunthirapakorn	Independent Director and Chairman of the Audit Committee
9.	Mr. Surapol Satimanon	Independent Director and Audit Committee
10.	Mr. Varavugh Varaporn	Independent Director and Audit Committee
11.	Mr. Suvit Arunanondchai	Independent Director and Audit Committee
12.	Asst. Prof. Naengnoi Chai-Onnom	Independent Director and Audit Committee

Mr. Ponlaphe Sakkayapapwicharnon serves as the Board Secretary.

Authorized signatories

Authorized signatories : Any two of the seven directors, namely, Mr. Charoensook Kititti, Mr. Kovit Rongwattanasophon, Mr. Virat Chinrapinorn, Mr. Wuttichai Suraratchchai, Mr. Anuwat Luengtaweekul, Mr. Anuchart Deeprasert and Mr. Praphan Anupongongarch are authorized to jointly sign with the Company's seal affixed.

Qualifications of Directors

1. Having knowledge, skills and various experience to support the Company' business operation and particular competence beneficial to the Company, including consisting at least one director not being the executives director but having experience related to the Company's business without the limitation of gender.

2. Not having any prohibited characteristics accordance with the law and related regulations.
3. Not being the director of similar and competitive business with the Company either for his/her own or others' benefits, except notifying such matters to the shareholders' meeting prior the appointment.
4. The directors, executives or persons concerned are able to undertake any transactions which are normal business practices of the Company. Such transactions are commercially agreed, which similar transaction general persons shall agree with their parties on the same circumstances by their negotiation authority not interfered by any influences, except prohibited transactions defined by law and notified by the public sectors.

Authority of the Board of Directors

1. Authorize duties to Committees, managements, executives or any other person, under the Scope of power and duties of the Board of Directors.
2. Approve the amount of credit to customers, who are approved from the credit analysis department, for the credit amount exceeding the authority of the Executive Board of Directors.
3. Business activities of the Company are under the Authority of the Board of Directors. One of Chairman or Managing Director, or at least 2 other directors in which the Board of Directors has assigned have the authority to sign and stamp the logo of the company to act on behalf of the company.
4. Have the power to invite the management and employees to explain, give opinions, meeting or submit documents as relevant or necessary.

Scope of power and duties of the Board of Directors

1. Perform duties in line with the laws, the Company's objectives and articles of association, as well as the legitimate resolutions of the shareholders' meeting.
2. Determine the Company's goal, direction, policy, action plan and budget, and control and ensure that the administration and management of the Executive Committee conform with the assigned policy, except for the following matters which, according to the laws, are subject to prior approval by the shareholders, i.e. the capital increase and decrease, the issuance of debentures, the selling or transfer of the Company to other persons or acceptance of transfer of or merger with other companies, the amendment to the memorandum or articles of association, the payment of gratuity to the directors, etc.
3. Appoint a number of the directors as deemed appropriate to be the Executive Committee which will have duties and responsibilities to administer and manage the Company as assigned by the Board of Directors, with one of the Executive Directors to be appointed Chairman of the Executive Committee.

The Executive Directors are entitled to remuneration and gratuity as determined by the Board of Directors. This, however, shall not exclude the right of such Directors to other remuneration or benefits obtainable in their capacity as the Board members.

4. Ensure the Company has effective internal control and internal audit systems by assigning the department which is responsible for the internal audit and control to perform the duty in coordination with the Audit Committee.

Independent Directors

Besides the roles and responsibilities as same as other members of the Board of Directors, the independent director has particular roles and duties to maintain his/her independence on giving an opinion or recommendation in order to sustain the benefits of all concerned stakeholders without being under the influence of any parties.

The independent directors consist of totally 5 persons. The independent directors shall hold the particular meeting among the independent directors without the executives, or other persons concerned that may be related with the Company or prejudice persons participating such meeting, prior the Board of Directors' meeting, in order to consider the details of the meeting agenda of the Board of Directors and mutually give recommendations proposed to the Board of Directors for management improvement and business operation to be developed and effective to the Company and benefits to all stakeholders.

The Definition and Qualification of Independent Directors

Independent director refers to individuals who are qualified and independent as defined in the corporate governance of the Company's policy and able to establish compliance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission. The following conditions apply:

1. Not hold up to 0.5 percent of the shares with voting rights of the Company, its parent, subsidiaries, affiliates, shareholders, major or controlling shareholders of the Company, including shares held by any relative of independent director as well.
2. Not be nor have been an executive director, officer, employee, controlling person, management employee or consultant who receives a salary of the Company, its parent, subsidiaries, affiliates, subsidiaries of the same company, the major shareholders, controlling person of the company, unless the foregoing status ended for not less than two (2) years prior to being appointed as an independent director.
3. Not to be a person related by blood or registration under law as a father, mother, spouse, sibling, child, including spouses of child, executive, major shareholders, controlling shareholders or person who has been nominated as the management or controlling person of the company or its subsidiaries.

4. Not have nor had have a business relationship with the Company, its subsidiaries, affiliates, shareholders or controlling person of the company, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the company, its parent company, its subsidiaries, associates and shareholders, affiliates, shareholders or controlling person who may have a conflict of interest unless the foregoing status ended not less than two years prior to the date of appointment.
5. Neither be nor have been and auditor of the Company, its subsidiaries, affiliates, shareholders or controlling person of the company, nor having been a substantial shareholder or controlling person or partner of an audit firm which employ auditors of the company, its parent company, its subsidiaries, associates and shareholders, affiliates, shareholders or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.
6. Neither be nor have been any kind of professional advisor, including a legal advisor or financial advisor who receives an annual service fees exceeding two million baht from its parent companies, subsidiaries, affiliates, major shareholders or controlling person, and neither nor have been a substantial shareholder, controlling person or partner of professional advisor, unless the foregoing status ended not less than two years prior to the date of appointment.
7. Not be appointed as a representative of a company's directors, the major shareholders or any other shareholders who are related person to the major shareholders.
8. Do not conduct any business which of the same nature as the company's or its subsidiaries' businesses and is in competition with them in any material respect, nor be a substantial partner, shareholder holding more than one percent of the total number of shares with voting rights of the company, director (having management role), employee, officer or adviser (obtain a regular salary) of any company whose business is of the same nature as the company's or its subsidiaries' businesses and is in competition with them in any material respect.
9. Not have any characteristics which make him or her incapable to express independent opinions with regard to the company's business affairs.

Audit Committee

The Board of Directors passed a resolution appointing the Audit Committee consists of:

	Name	Position
1.	Ph.D. Thakol Nunthirapakorn	Chairman of the Audit Committee
2.	Mr. Surapol Satimanon	Audit Committee Member
3.	Mr. Varavugh Varaporn	Audit Committee Member
4.	Mr. Suvit Arunanondchai	Audit Committee Member
5.	Asst. Prof. Naengnoi Chai-Onnom	Audit Committee Member

Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary.

Scope of power and duties of the Audit Committee

1. Review the Company's financial reports to ensure accurate and adequate disclosure by coordinating with the external auditor and the executives who are responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the external auditor review or examine any transaction which is considered necessary and significant during the audit of the Company's accounts.

2. Ensure that the Company has suitable and effective internal control and internal audit systems by making a review jointly with the external auditor and the internal auditor at least twice a year.

3. Review and ensure that the Company's operations comply with the securities and exchange law, regulations of the SET or laws relating to the Company's business.

4. Select and nominate the Company's external auditor and consider and propose the auditor's fee based on the credibility, adequacy of resources, volume of audit assignments of that auditing firm, and the experience of the personnel assigned to audit the Company's accounts, as well as previous year performance and consideration to hire out external auditors.

5. Review connected transactions and/or transactions that may lead to conflicts of interest and ensure accurate and full disclosure of such transactions.

6. Perform any other act as delegated by the Board of Directors and approved by the Audit Committee, such as review the financial management and risk management policy, review the compliance with the code of corporate conducts, to jointly review with the Company's management significant reports which must be disclosed to the public as required by laws, e.g. management's discussion and analysis.

7. Prepare a report on activities of the Audit Committee and disclose it in the annual report of the Company. The report must be signed by the Audit Committee Chairman and should contain the following information:

- Opinions on the accuracy, completeness and reliability of the preparation process and disclosure of information in the Company's financial reports.
- Opinions on the adequacy of the Company's internal control system. Justification that the Company's auditor is suitable for re-appointment for another term of service.



- Opinions on the compliance with the securities and exchange law, regulations of the SET or laws relating to the Company's business.
- Any other reports which should be disclosed to the shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.

Qualifications of Audit Committee

1. The Audit Committee is comprised of independent director which appointed by the Board of Directors or the shareholders' meeting of the Company, and one member of Audit Committee is appointed to be the Chairman of Audit Committee.
2. Not being a director assigned by the Board of Director to operate the Company's business, main office, subsidiaries, associates, the same-level subsidiaries, major shareholder, or authorized person of the Company.
3. Not being a director of main office, subsidiaries, or the same-level subsidiaries especially a company registered in the listed company.
4. The Audit Committee must consist of at least three directors and at least one director must have sufficient knowledge and experience to perform, review the reliability of the financial statements.
5. The Audit Committee must have other qualifications determined by the Office of the Securities and Exchange Commission.

Besides the qualifications and special characteristics of the Audit Committee, the Audit Committee must be qualified and elements suitably to be the Audit Committee (please see the details shown on the topic of the Board of Directors).

Executive Board of Directors

As of December 31, 2015, THANI's Executive Board of Directors was composed of four members:

	Name	Position
1.	Mr. Kovit Rongwattanasophon	Chairman of the Executive Board
2.	Mr. Virat Chinprapinorn	Executive Board Member
3.	Mr. Wuttichai Suraratchai	Executive Board Member
4.	Mr. Praphan Anupongongarch	Executive Board Member

Mr. Boonchu Wongpakdee serves as the Executive Board of Directors Secretary.

Scope of power and duties of the Executive Board of Directors

1. To generally act on behalf and in the benefit of the Company.
2. To administrate the Company's business under the resolutions/ regulations of the Board of Directors.

3. To consider and have Authority on Credit Approval, Non-Policy Expenses Approval, Non-Buying and Selling of non Policy Approval, and request for approval to the Board of Directors for which is beyond the granted authority and/or authorized amount. To consider and have authority on human resource Policy which includes recruiting, transferring, promoting, terminating, compensating, annual salary increase and other related human resource management as granted from the Board of Directors.

4. To appoint one or more directors in the Executive Board of Directors or other persons to perform which is under the any act and they supervision of the Executive Board of Directors as the Executive Board of Directors may deem appropriate and within the period defined by them. However, such appointment may be revoked, altered, changed as the Executive Board of Directors deemed appropriate.

5. To perform any other act delegated by the Board of Directors. In authorizing the Power, Role and Responsibility of the above Executive Board of Directors, such authority shall be under the rules and regulations' of relevant laws, regulations and article of association of the Company. In addition, the members of the Executive Board of Directors or then related persons will not be able to approve the transactions which are not normal course of business of the Company or under generally accepted conditions while they have conflict or participation or interest against the Company or the Company's subsidiary and shall report the transactions to the BOD to comply with the role and regulation of the SET.

1. To review prior proposing to Board of Director for approval regarding to the Company's policy on the case of implementation; it will effect significant changes to the Company's business. It also include any matters that the Executive Board deems appropriately to propose for approval each item, or according to the criteria as defined by the Board of Director such as loan approval, etc.
2. Having authority to approve loan and debt restructure application for all types of the Company's debtors both individual and group at the maximum amount not exceeding of Baht 50 million
3. Having authority to determine and/or amend internal regulations for the Company's business operation
4. Having authority to adjust, change the employment conditions regarding to welfares and benefits of employees
5. Having authority to consider for propose payment on special support or bonus to the Board of Directors for approval
6. Having authority to assign the management to execute any actions beneficial to the Company and non-violated to the laws
7. Having authority to consider any activities assigned by the Board of Directors
8. Having authority to approve expenditures or investment transaction with unplanned budget at the amount of Baht 5 million
9. To monitor and evaluate the operation and operating results according to the policy defined by the Company closely, including giving comments to the Board of Directors on policy improvement as appropriately
10. To review, analyze, study, and develop business strategic plan for proposing to the Board of Directors' meeting for consideration.



11. Having responsibility to consider business plans and annual budget for proposing to the Board of Directors' meeting for consideration

The Board of Directors appointed The Nomination and Remuneration Committee

As of December 31, 2015, THANI's The Board of Directors appointed The Nomination and Remuneration Committee was composed of three members:

Name	Position
1. Mr. Suvit Arunanondchai	Chairman of the Nomination and Remuneration
2. Mr. Varavudh Varaporn	Nomination and Remuneration member
3. Mr. Anuwat Lueangtaweekul	Nomination and Remuneration member

Miss. Rungtip Chaipatanarpruck serves as the Nomination and Remuneration Secretary.

Scope of power and Board of Directors appointed the Nomination and Remuneration Committee

1. Selection

- To define policy, criteria, and selection guidelines for proposing to the Board of Directors for approval
- To screen and propose a qualified person suitable to serve on a vacant position for proposing the Board of Directors for approval.
- Organize the various Boards having size and composition appropriately to the organization, including improving in accordance with any environmental changes, by which each director and/or Boards must be consisted of qualified members who have knowledge, competence according to each Board required
- To disclose policy and details on selection on the annual report of the Company

2. Compensation

- To determine policy and criteria on compensation and other benefits of the director, Managing Director, and other committee for proposing to the Board of Directors for approval
- To provide the director, Managing Director, and other committee to receive appropriate remuneration suitably to their duties and responsibilities
- To define guidelines on performance assessment of Managing Director in order to consider on annual remuneration adjustment (salary adjustment, bonus, and other compensations) and propose to the Board of Directors for approval
- To review remuneration structure and other benefits of the directors, Managing Director, other committee in accordance with the market conditions
- To disclose policy and details on remuneration determination on the annual report of the Company

3. Others

- To consider other matters assigned by the Board of Directors

The Corporate Governance Committee

The Board of Directors gives precedence to the good corporate governance as required by the stock exchange of Thailand. The Board of Directors meeting No.3/2012 date March 28/2012 appointed the Board of Directors to perform as the Corporate Governance Committee and prepare the good corporate governance as the article meeting of the Board of Directors.

As of December 31, 2015, the committee consisted of 12 members as follows :

	Name	Position
1.	Mr. Virat Chinrapinporn	Chairman of the Corporate Governance Committee
2.	Mr. Charoensook Kititti	Corporate Governance Member
3.	Mr. Kovit Rongwattanasophon	Corporate Governance Member
4.	Mr. Wuttichai Suraratchchai	Corporate Governance Member
5.	Mr. Anuwat Luengtaweekul	Corporate Governance Member
6.	Mr. Anuchart Deeprasert	Corporate Governance Member
7.	Mr. Praphan Anupongongarch	Corporate Governance Member
8.	Ph.D. Thakol Nunthirapakorn	Corporate Governance Member
9.	Mr. Surapol Satimanon	Corporate Governance Member
10.	Mr. Varavugh Varaporn	Corporate Governance Member
11.	Mr. Suvit Arunanondchai	Corporate Governance Member
12.	Asst. Prof. Naengnoi Chai-Onnom	Corporate Governance Member

Mr. Ponlaphe Sakkayapapwicharnon serves as the Corporate Governance Committee Secretary.

Scope of Duties and Responsibilities

1. Regulate policies and business guidelines on corporate governance affairs of company.
2. Review and give advice on corporate governance to the Board of Directors as required by the stock exchange of Thailand.
3. Prepare the good corporate governance manual and regularly update and internationalize its contents.
4. Improve and update the company code of ethics and set operation guidelines accordingly.
5. Report business operation results to the Board of Directors.
6. Appoint working teams to support the operation as deemed appropriate.
7. Perform other tasks as assigned by the Board of Directors.



The Risk Management committee

The risk management committee has the duties and responsibilities to perform the risk management of the company operation. The board of directors meeting No. 3/2012 dated March 28, 2012 appointed the executive board to perform as the risk management committee.

As of December 31, 2015, the committee consisted of 4 members as follows:

Name	Position
1. Mr. Kovit Rongwattanasophon	Chairman of the Risk Committee
2. Mr. Virat Chinrapinporn	Risk Management Member
3. Mr. Wuttichai Suraratchai	Risk Management Member
4. Mr. Praphan Anupongongarch	Risk Management Member

Mr. Boonchu Wongpakdee serves as the risk management committee secretary

Scope of Duties and Responsibilities

1. Review and consider the risk management policies and risk appetite and propose to the Board of Directors for approval.
2. Review and Access the internal and external risk which related the business operations to revise the risk management procedures to ensure adequate and appropriate the company risk management.
3. Prepare the risk management procedures company with the business operations to prevent and mitigate risks to an acceptable level and propose to the board of directors for approval.
4. Review and consider the risk management procedures to ensure the procedures are managed sufficiently and suitably
5. Review and consider the risk management tools guidelines and risk measurement to ensure adequate and appropriate the company risk management and propose to the Board of Directors for approval.

Management Team

As of December 31, 2015, the Company's management team comprised six members, as below:

Name	Position
1. Mr. Virat Chinrapinporn	Chairman of the Board of Directors
2. Mr. Kovit Rongwattanasophon	Managing Director and Executive Chairman
3. Mr. Komsan Boonyoiyad	Deputy Managing Director, Credit Operation
4. Mr. Boonchu Wongpakdee	Senior Assistant Managing Director, Accounting and Finance
5. Mr. Sootchai Viriyalappa	Assistant Managing Director, Finance
6. Mr. Ponlaphe Sakkayapapwicharnon	Assistant Managing Director, Internal Control & Monitoring

Scope of power and duties of the Executive Chairman

1. Empowered to command, plan and ensure that the Company's operation is in line with the policy determined by the Board of Directors.
2. Empowered to appoint and administer all supporting committees for the benefits and efficiency of a good and transparent management.
3. Empowered to consider and determine the salary, remuneration and bonus for the executives and employees.
4. Formulate an organization and administration structure to cover all such matters as recruitment, training, employment and termination of employment of the employees.
5. Empowered to determine the staff welfare to suit the circumstances and practices and in compliance with the prevailing laws.
6. Closely follow up and assess the operation and performance under the policy set forth by the Board of Directors, as well as consider and recommend to the Board of Directors for the improvement and adjustment to the policy as deemed appropriate.
7. Perform other duties as assigned by the Board of Directors.

However, the above delegation of power to the Executive Chairman shall not include the power that will enable the Executive Chairman to approve any transactions in which he himself or other persons who may have possible conflicts, may have vested interests or other conflicts of interest with the Company, and any connected transactions and acquisition or disposal of the Company's material assets which are subject to prior approval from the shareholders in line with the SET's regulations.

Scope of power and duties of the Managing Director

The Managing Director is empowered to perform the duties that are assigned by the Board of Directors or the Executive Chairman and are under the Company's rules and regulations. The power and duties of the Managing Director can be summarized as follows:

1. To determine the mission, objectives, direction and policy of the Company and to supervise the overall operations.
2. Empowered to employ, appoint, remove, dismiss and determine the salary for all employees.
3. Empowered to issue orders, regulations, announcements and memorandums so that the operation will be in accordance with the policy and benefits of the Company and to maintain the working disciplines within the organization.
4. To perform activities related to the general administration.

The Managing Director, or any person authorized by the Managing Director, is not authorized to conduct any of the following affairs, or related matters, without first proposing to the Audit Committee for its opinion, and proposing to the Board of Directors and / or the Shareholder Meeting for approval: (a) connected transactions; (b) trading transactions of Company's significant assets; and / or (c) transactions that involve parties who have potential conflicts of interest with the Company and its subsidiaries, (if any).



Furthermore, in conducting the connected transactions or trading transactions of Company's and subsidiaries' significant assets, as defined in the regulations of the Stock Exchange of Thailand governing the connected transactions of listed companies and trading transactions of listed company's assets, the Company must abide by such regulations.

Selection of directors and executives

The Company does have a nominating committee. Selection of the directors and executives is based on the following procedure:

- Board of Directors

The Board of Directors consists of at least five members appointed by the shareholders' meeting under the criteria and method that each shareholder shall have a number of votes equaling the number of shares he holds. Each shareholder may exercise all the votes he has to elect one or several persons as director or directors, provided that any of the votes shall not be divisible. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman shall have a casting vote. Activities other than the above-mentioned have to be performed under the Company's articles of association.

Methods in appointing the committee: under 2 cases;

Case 1) The appointment of directors to retire by rotation.

Case 2) The appointment of the agenda due to the vacancy.

- In case 1) must be approved by the shareholders 2) Board of Directors must be approved by the Nomination and Remuneration Committee and be selected and nominated to be elected as representatives.

- Independent directors must comply with the requirements of the Securities Commission as well as the stock exchange or relating regulatory agency.

- Audit Committee

The Board of Directors' meeting shall approve the appointment of the Audit Committee and the appointment of the independent directors as the Audit Committee Members.

To be an important tool in the supervision of the Board of Directors and to generate a standard, accurate and transparent as well as to comply with regulations and to have good internal controls, a reporting system establish reliability and beneficial to all stakeholder and any parties involved, including shareholders

To appoint the Audit Committee

Board of Directors will appoint qualified committee in accordance to the official set of agency regulations. At least 3 audit Committee will serve on the Board of Directors with an authorization by the Board of Directors to work with freedom and reports directly to the Board of Directors.

- The Board of Directors appointed the Selection and Remuneration Committee

The Board of Directors' meeting shall approve the resolution to appoint the Selection and Remuneration Committee. This Committee is responsible for recommending policies, methods and criteria on selection and remuneration of the directors, members of sub-committee, and the Managing Director, Deputy Managing Director, and Assistant Managing Director. This is to ensure that the selection and remuneration are in accordance with the good corporate governance and the company's visions and missions.

Procedures for the appointment of the Nomination and Remuneration Committee

The Board of Directors will consider the appointment of non-executive directors, at least three people to serve as the Nominating Committee and Remuneration Committee and reports directly to the Board of Directors.

Executive Committee

The Board of Directors is appointed by the Executive Committee shall consist of an executive or director of. The major shareholders The Executive Committee shall report its activities to the Board of Directors.

Procedures for the appointment of the Board of Executive Directors

Board of Directors will appoint certain number of directors as deemed appropriate by the Board of Directors and appoint the Managing Director, as Chairman. The Board of Directors has the authority to oversee the affairs of the Company.

Corporate Governance Committee

The Board has emphasized the importance of good corporate governance. The Good governance is achieved by the good practices of listed companies and report on compliance with the principles of good corporate governance. In annual report, the company agreed to appoint the Board acting of the Corporate Governance Committee. In the event the Board of Directors meeting, corporate governance is an agenda of the meeting.

Risk Management Committee

The Board of Directors shall appoint the Director of Risk Management to establish management policies and demonstrate the risk of the organization to the Board of Directors. The board of director will approve and oversight Management to comply with the policy and report to the Board on a regular basis in order to review and assess the effectiveness of risk management at least annually and every time there is a change in the policy or change in risk level. This includes an emphasis on early warning sign and reporting anomaly.



Company Secretary/Secretary to the Board of Director

The Board of Directors' Meeting No.4/2013 dated November 13, 2013 appointed Mr. Ponlaphe Sakayapapwicharnon to be the Company's secretary and serves as the Secretary to the Board and Board of Directors appointed the Selection and Remuneration Committee Secretary whose qualification and experience deemed appropriate for the responsibility in monitoring the Company to comply with the rules and the Company's regulations, and also in line with principles of Good Corporate Governance to allow effective management.

Scope of Duties of Company's Secretary

1. To give initial recommendations to the Directors concerning the issues of legality, regulations, and a number of Company information, and follow through to ensure that all regulations are properly adhere to, including the report concerning changes which is deemed significant.
2. To organize shareholders' meeting and the shareholders' and the Board of Director's meeting in accordance with the law and Company's rule.
3. To record and report the issues in the shareholders' and Board of Directors' meeting, and also keep track to activities that has been decided in the shareholders' and the Board of Directors' meeting.
4. To ensure the openness of information which is in accordance with the Stock Exchange of Thailand, Securities and Exchange Commission, and other supervisory authority?
5. To communicate with the shareholders, investor, supervisory authority, which also includes the dissemination of information those interested public, and some interest groups?
6. Training and development of knowledge in the legal, accounting or other secretarial duties
7. Performed any other assignments that delegated by the Board or Directors.

Moreover, the Company also realized the importance of good supervision, the Board's secretary also completed training course called. "Corporate Secretary Development Program" Class 20/2006 and "Effect Minute Taking" Class 6/2006 organized by Thai Institute of Directors.

Remuneration for executives

Monetary remuneration

a) Remuneration for directors for the year 2015 as follows :

Name	The Board of Directors	The Audit Committee	The Board of Directors (Selection & Remuneration)	Executive Board of Directors	Remuneration	Total (Baht)
1. Mr. Virat Chinprapinporn	125,000				224,201.32	349,201.32
2. Mr. Charoensook Kititti	110,000				197,297.16	307,297.16
3. Mr. Kovit Rongwattanasophon	110,000				197,297.16	307,297.16
4. Mr. Wuttichai Suraratchai	110,000			96,000	197,297.16	403,297.16
5. Mr. Anuwat Luengtaweekul	110,000		44,000		157,837.73	311,837.73
6. Mr. Anuchart Deeprasert	110,000				197,297.16	307,297.16
7. Mr. Praphan Anupongongarch	110,000			96,000	197,297.16	403,297.16
8. Ph.D. Thakol Nunthirapakorn	110,000	125,000			197,297.16	432,297.16
9. Mr. Surapol Satimanon	110,000	110,000			197,297.16	417,297.16
10. Mr. Varavugh Varaporn	110,000	110,000	44,000		197,297.16	461,297.16
11. Mr. Suvit Arunanondchai	110,000	110,000	50,000		197,297.16	467,297.16
12. Asst.Prof. Naengnoi Chai-Onnom	88,000	88,000			157,837.73	333,837.73
Total	1,313,000	543,000	138,000	192,000	2,315,551.22	4,501,551.22

Note : Mr. Ponlaphe Sakkayapapwicharnon serves as the Secretary to the Board Secretary.

Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary.

Miss Rungtip Chaipatanapruck serves as the Board of Directors appointed the Nomination and Remuneration Committee Secretary.

Remuneration for executives as follows :

(Baht)

Type of remuneration	2015	2014	2013
Salary and bonus	24,918,208	24,825,400	15,434,000
Car petrol and telephone	216,000	216,000	237,500
Total	25,134,202	25,041,400	15,671,500
Number of executives	6	6	6



Other remuneration

- Set-up of a provident fund

To conform to the SET's regulations, the Company has established a provident fund for the employees to participate in. Contribution to the fund is set as follows:

- Employees' can choose to pay contribution but not more than 15% of salary.
- Company's contribution at 5% of individual employees' salary, the Company's contribution of executives as follows:

	(Baht)		
	2015	2014	2013
Provident fund (Baht)	1,019,700	713,560	636,800

Compensation Paid to all employees

The Company has the policy to equally provide remuneration to all employee who have the same knowledge, ability and responsibility. The remuneration rate shall not be less than other utility companies in industry.

List of Company's Authorized Persons, Directors, Executives and Company Secretary

The followings are the Company's Authorized Persons, Directors, Executives and Company Secretary, as shown :

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
1. Mr. Virat Chinprapinporn Chairman, Executive Director Authorized Director Date appointed as a director 28 July 2002	55	Master of Business Administration (MBA), City University, USA Bachelor of Business Administration (Finance) Seattle University, USA Certificate of Attendance DAP & DCP 40/2004 Thai Institute of Directors (IOD) Executive Program (CMA), Class 16/2013 Capital Market Academy. Top Executive Program in Commerce and Trade (TEPCoT) Class 8 Commerce Academy University of the Thai Chamber of Commerce.	5,040,000 0.21%	-	2003 - Present 2002 - Present	Executive Director, Chairman Chairman	Ratchthani Leasing Public Co., Ltd. Baan Rock Garden Public Co., Ltd.
2. Mr. Charoensook Kittiti Director Authorized Director Date appointed as a director 28 July 2002	77	Diploma of Modern Management Faculty of Commerce & Accountancy Chulalongkorn University Diploma of Executive Development Faculty of Commerce & Accountancy Thammasat University Certificate of Attendance DAP 19/2004 & DCP 53/2005 Thai Institute of Directors (IOD)	89,657,318 3.71%	-	2005 - Present 2001 - Present 1993 - Present 1989 - Present 1973 - Present	President President President Director President	City Mansion Bangwah Co., Ltd. Charoensook Pudedphol Co., Ltd. Realty & Property Management Co., Ltd. Ratchthani Leasing Public Co., Ltd. Charoensook Hoonchew Pharmacy Co., Ltd.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
3. Mr. Kovit Rongwattanasophon Director & Managing Director Chairman of Executive Director Authorized Director Date appointed as a director 28 July 2002	54	Master of Business Administration (MBA), Southeastern University, U.S.A. Bachelor of Art (Political Science) Ramkhamhaeng University Certificate of Attendance DAP 19/2004 Thai Institute of Directors (IOD)	8,101,160 0.34%	-	2002 - Present 1989 - Present	Chairman of Executive Director Managing Director	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd.
4. Mr. Wuttichai Suraratchai Director / Executive Director Authorized Director Date appointed as a director 24 July 2006	52	Master of Business Administration (MBA), Thammasat University Bachelor of Accounting (First Class Honour) Thammasat University Bachelor of Economics, Ramkhamhaeng University Certificate of Attendance DAP 60/2006 & DCP 173/2013 Thai Institute of Directors (IOD)	-	-	2011 - Present 2006 - Present 2009 - 2010 2007 - 2008 2004 - 2007	Executive Vice President Credit Risk Management 2. Executive Director First Executive Vice President Credit Management Executive Vice President Credit Management Executive Vice President Medium Corporate	Thanachart Bank Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Siam City Bank Public Co., Ltd. Siam City Bank Public Co., Ltd. Siam City Bank Public Co., Ltd.
5. Mr. Anuwat Luengtaewekul Director Member of the Nomination and Remuneration Committee Authorized Director Date appointed as a director 10 November 2010	52	Master of Business Administration (MBA), Rangsit University Bachelor of Science (Accounting), Kasetsart University Certificate of Attendance How to Measure the Success of Corporate Strategy (HMS) 4/2014 Successful Formulation & Execution the Strategy (SFE) 3/2009	-	-	2012 - Present 2010 - Present 2010 2009 - Present 2007 - 2009	Member of the Nomination and Remuneration Committee Director Director Executive Vice President and Chief Financial Officer Member of the Executive Committee and Executive Vice President	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Siam City Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. Thanachart Capital Public Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
		Director Certification Program (DCP) 24/2002 Board and Performance Evaluation Program Financiers Executive Development Program 9/1994 Thai Institute of Directors (IOD)					
6. Mr. Anuchart Deeprasert Director Authorized Director Date appointed as a director 10 November 2010	55	Master of Business Administration (MBA), Mahanakorn University of Technology Bachelor of Economics, Major in Finance, Ramkhamhaeng University Certificate of Attendance DAP 89/2011 Thai Institute of Directors (IOD)	-	-	2013 - Present 2010 - Present 2010 - Present 2000 - 2010 2000 - 2010 2000 - 2010 2000 - 2010	Chairman Director & Executive Director Senior Executive Director Hire Purchase Marketing and Auto Dealer Credit. Director Director Director Director	Thai Hire-Purchase Association Ratchthani Leasing Public Co., Ltd. Thanachart Bank Public Co., Ltd. National Leasing Co., Ltd. T-Leasing Co., Ltd. Thanachart Group Leasing Co., Ltd. Sinkehakarn Co., Ltd.
7. Mr. Praphan Anupongongarch Director / Executive Director Authorized Director Date appointed as a director 10 November 2010	52	Master of Science (development economic), National Institute of Development Administration (NIDA) Bachelor of Business Administration, (Marketing) Sukhothaimathraj University Bachelor of Mathematical Science, King mongkut institute of Technology Thonburi Certificate of Attendance DCP 173/2012 & SFE 22/2014 Thai Institute of Directors (IOD)	-	-	2010 - Present 2010 - Present 2010 - Present 2001 - 2010 1998 - 2001	Director & Executive Director Director Assistant Managing Director Senior Executive Director Product Development Dept. (Banking & Electronics) Assistant Managing Director	Ratchthani Leasing Public Co., Ltd. Thanachart Insurance Public Co., Ltd. Thanachart Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. BNP Paribas Peregrine Securities Public Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
8. Thakol Nunthirapakorn, Ph.D. Independent Director Audit Committee (Chairman) Date appointed as a director 28 July 2002	70	Ph.D. Degree, Accountancy, MIS, Economics University of Arkansas, U.S.A. MBA. (Quantitative Analysis) Northeast Louisiana University, U.S.A. B.S. (Finance) West Liberty State, U.S.A. Certificate of Attendance High Dip. (Finance & Banking) University of the Thai Chamber of Commerce DAP 8/2004 & ACP 8/2005 Thai Institute of Directors (IOD)	371,004 0.02%	-	2015 - Present 2014 - Present 2002 - Present Present Present Present	Chairman of Board Audit Committee (Chairman) Audit Committee (Chairman) University Administration Committee. Dean, School of Accountancy Special Instructor Faculty of Business Administration	Fire Vidor Public Co., Ltd. Fire Vidor Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. The University of Thai Chamber of Commerce. The University of Thai Chamber of Commerce. National Institute of Development Administration. (NIDA)
9. Mr. Surapon Satimanont Independent Director Audit Committee (Director) Date appointed as a director 28 July 2002	54	M.A. Business Webster University, U.S.A. Master of Comparative - Jurisprudence Howard University, U.S.A. Master of Laws (LL.M.) Southern Methodist University, U.S.A. Certificate of Attendance DAP & DCP 40/2004 Thai Institute of Directors (IOD)	7,499,181 0.31%	-	2014 - Present 2014 - Present 2009 - Present 2007 - Present 2002 - Present 1990 - Present 2012 - 2014 2011 - 2014 2011 - 2014 2011 - 2014 2008 - 2011	Director Advisory Commission Legal and Contracts Subcommittee Audit Committee Audit Committee (Director) Audit Committee (Chairman) Director Director Director Director Assistant Managing Director	Erawan Insurance Public Co., Ltd. Ministry of Information and Communication Technology. State Railway of Thailand (SRT). 2 S Metal Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Baan Rook Garden Public Co., Ltd. S & Manont Co., Ltd. N.U.I International Co., Ltd. Transun (Thailand) Co., Ltd. Fah Sai Haad Ngam Co., Ltd. Export - Import Bank of Thailand.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
10. Mr. Varavudh Varaporn Independent Director Audit Committee (Director) Member of the Nomination and Remuneration Committee Date appointed as a director 14 December 2009	67	Master of Public Administration (M.P.A.) Chulalongkorn University Bachelor of Laws (LL.B.) Thammasat University Certificate of Attendance DAP 82/2010 & RCC 19/2014 Thai Institute of Directors (IOD)	-	-	2012 - Present 2009 - Present 2005 - 2008 2003 - 2004	Member of the Nomination and Remuneration Committee Audit Committee Advisor on Performance Efficiency Department of Lands Deputy Director General Department of Lands	Ratchithani Leasing Public Co., Ltd. Ratchithani Leasing Public Co., Ltd. Ministry of Interior. Ministry of Interior.
11. Mr. Suvit Arunanonchai Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Date appointed as a director 22 February 2011	66	Bachelor of Art, Louisiana Tech University, U.S.A. Program for Management Development (PMD 1985) Harvard Business School Harvard University, U.S.A. Certificate of Attendance Director Certification Program (DCP) 14/2002 Director Diploma Examination (Fellow Member) Audit Committee Program (ACP) 4/2005 Quality Financial Reporting 2/2006 Role of The Compensation Committee (RCC) 18/2014 Advanced Audit Committee Program (AACP) 15/2014 Thai Institute of Directors (IOD) CMA 8, Capital Market Academy, SET Successful Formulation and Execution of Strategy (SFE) (SFE) 23/2015	-	-	2014 - Present 2012 - Present 2012 - Present 2011 - Present	Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Director	Netbay Public Co., Ltd. Ratchithani Leasing Public Co., Ltd. Ratchithani Leasing Public Co., Ltd. Ratchithani Leasing Public Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
		Building Better Board through Effective Independent Director (Director Forum 2/2015)					
12. Asst.Prof. Naengnoi Chai-Onnom Independent Director Audit Committee (Director) Date appointed as a director 8 November 2010	73	M.B.A. (Accounting) University of Detroit, U.S.A. Bachelor of Accounting Bachelor of Commerce Thammasat University Certificate of Attendance DAP 73/2008, DCP 121/2009, ACP 34/2011, MIA 10/2011, MFM 5/2011, MIR 11/2011, MFR 15/2012, ELP 1/2015 Thai Institute of Directors (IOD)	-	-	2013 - Present 2012 - Present 2010 - Present 2010 - 2013 2007 - Present 2004 - 2010 2004 - 2010 2002 - 2011	Chairman of the Committee on Professional Ethics Vice president for Administration Independent Directors & Audit Committee Board of Directors Ethics Committee Independent Directors & Audit Committee Member, CPA Qualification Screening Sub-Committee Member, Accounting Education & Technology Committee Dean, School of Accountancy	Federation of Accounting Professions. University of the Thai Chamber of Commerce Ratchthani Leasing Public Co., Ltd. Federation of Accounting Professions. Premier Marketing Public Co., Ltd. Federation of Accounting Professions. Federation of Accounting Professions. University of the Thai Chamber of Commerce
13. Mr. Khomsan Boonyoiyad Deputy Managing Director	50	BBA Industrial Management Siam University Diploma of Executive Development Faculty of Commerce and Accountancy Thammasat University	-	-	2015 - Present 2009 - Present 2002 - 2008 1997 - 2002	Director & Secretary Deputy Managing Director Assistant Managing Director Chief of Credit Operation Dept.	Thai Hire-Purchase Association Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
14. Mr. Boonchu Wongpakdee Senior Assistant Managing Director	40	Master of Business Administration (M.B.A.) Accounting for planning & control Kasetsart University Bachelor of Business Administration (Accounting) Kasetsart University	-	-	2011 - Present 2004 - 2011 2003 - 2004 2000 - 2003	Senior Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
						Director of Accounting Department	Baan Rock Garden Public Co., Ltd.
						Accounting and Finance Manager	Baan Rock Garden Public Co., Ltd.
						Assistant Accounting and Finance Manager	Linklaters (Thailand) Co., Ltd.
15. Mr. Ponlaphe Sakkayapapwicharnon Assistant Managing Director Company Secretary	45	Master of General Management (M.G.M.) College of Management Mahidol University Bachelor of Business Administration (Marketing) Assumption University Certificate of Attendance CSP 20/2006 & EMT 5/2006 Thai Institute of Directors (IOD)	-	-	2002 - Present 2013 - Present	Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
						Company Secretary	Ratchthani Leasing Public Co., Ltd.
16. Mr. Sootchai Vinyalappa Assistant Managing Director	56	Bachelor of Art (Political Science) Ramkhamhaeng University	-	-	1991 - Present	Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
17. Mrs. Jitree Sribanyaranond Financial Manager	46	Bachelor of Business Administration (Accounting) Ramkhamhaeng University	-	-	1999 - Present	Financial Manager	Ratchthani Leasing Public Co., Ltd.
						Planning & Strategy Manager	Ratchthani Leasing Public Co., Ltd.
18. Ms. Unchan Srisom Accounting Manager and Planning & Strategy Manager	39	Bachelor of Business Administration (Accounting) Sukhothai Thammathirat Open University Bachelor of Business Administration (Finance) Rajamangala University of Technology Thanyaburi Certificate of Attendance Micro MBA Chula 58 Faculty Commerce and Accountancy Chulalongkorn University	-	-	2014 - Present 2012 - Present 2010 - 2012	Accounting Manager	Ratchthani Leasing Public Co., Ltd.
						Assistant Manager of Accounting	Ratchthani Leasing Public Co., Ltd.
							N.C.C.Image Co.,Ltd.

Corporate Governance

Policy on corporate governance

The board has paid highly important to good corporate governance according to the guideline specified by Stock Exchange of Thailand. Therefore, the board of directors is also a Corporate Governance Committee. In the board meeting, good corporate governance shall be one of the agenda in that meeting. Moreover, there are manuals of business ethics for directors, the management and staffs so that everyone could use this guideline when performing their operations and towards stakeholders. This manual has also been posted on the company's website (www.ratchthani.com).

The board has initiated to have the corporate governance in written and approved the corporate governance policy. The good corporate governance is considered to be one of the management guidance and has been well accepted internationally. This shall create value added and trust to all stakeholders. Moreover, it is an important factor for the company to achieve sustainable growth and can be grouped into 5 categories as follows:

1. Rights of the shareholders

The Board of Directors recognizes the ownership rights to control the company through the appointment of directors as shareholder's representatives and the rights for decision making on major changes in the company. Therefore, the Board of Directors encourages the shareholders to use their basic shareholder rights to buy, sell, or transfer shares, share in the profit of the company, obtain relevant and adequate information on the company, obtain information on shareholder meetings participation and criteria, and obtain sufficient information for consideration in each agenda on the shareholder meetings before participation, including opportunity to question the directors at the meetings or submit the questions in advance. Furthermore, the Board of Directors recognizes and emphasizes on the shareholder rights that those rights shall not be violated or diminished.

In preparation of the shareholders meeting, the Board of Directors recognizes the shareholders rights that the meeting shall not be held on long holidays and public holiday and the meeting location shall be in the area with convenient transportation. In 2015 the company held the shareholders meeting at 11th Floor, Sinnsathorn Tower, Krung Thonburi Road, Khlong Ton Sai Sub-district, Khlong San District, Bangkok, closed to BTS station and the expressway exit.

The company sent meeting invitation letters including meeting documents to the shareholders 14 days before the meeting day, in accordance with the company's regulations, and disclosed information on the company's website. In 2015, the company announced invitations to the 2015 Annual Shareholders Meeting on 3rd March 2015. The objectives and recommendations made by the Board of Directors on each agenda were included. Moreover, the company has set the policy to facilitate and support all investors, including institutional investors to participate in the shareholders' meeting.

In 2014, the company was rewarded “excellent” performance in conducting 2013 Annual Shareholders’ Meeting from Thai Investors Association continue to second years.

In 2015, the company’s 2014 Annual Shareholders’ Meeting was assessed by Thai Investors Association, from the assessment project of the Annual General Meeting: AGM, and received 100 full score, or “Excellent and Distinctive Praiseworthiness”.

2. Shareholders Rights and Equitable Treatment

Preparation of the Shareholders Meeting. The company held the 2015 Annual Shareholders Meeting on 8th April 2015 at 11th Floor, Sinnsathorn Tower, Krung Thonburi Road, Khlong Ton Sai Sub-district, Khlong San District, Bangkok.

Delivery of Invitation to the shareholders meeting. The company recognizes the importance of equitable treatment to all shareholders that the company shall disclose important and correct information in a timely and transparent manner to the shareholders regularly. The company sent the invitation letter to the shareholders meeting including related documents on each agenda to the shareholders 14 days in advance before the meeting day, in accordance with the company regulations, as well as announced the invitation letter in the newspaper and the company’s website. The objective and recommendations made by the Board of Directors on each agenda were included and the meeting minutes was recorded correctly and fully that the shareholders could examine the minutes. In addition, the company has added alternatives for the shareholders that the shareholders could give the power of attorney to the Auditing Committee in case that the shareholders could not attend the meeting.

For the shareholders meeting day, The company specified the meeting location and time by considering the area with convenient transportation, specified the registration area properly and sufficiently that the shareholders could register at least 2 hours before the meeting, and prepared revenue stamps the shareholders who gave or obtained the power of attorney, as well as prepared light meals for the shareholders. In the meeting, the company appointed the Chairman to inform details of quorum, explain the voting method, the vote counting, and vote casting procedure, and disclose the vote counts on each agenda. The meeting gave the shareholders opportunity to ask questions or give opinion adequately and properly. At the 2015 Annual Shareholders Meeting, there were all 12 Directors attending the meeting, consisting of The Chairman of the Board of Directors, The Chairman of the Auditing Committee, Independent Director, and the Auditing Committee as well as the Company’s secretary and the secretary to the Board of Directors, the company’s auditors and independent legal consultants.

After the shareholders meeting. The company informed the meeting resolutions through the media system of the Stock Exchange of Thailand after the meeting on 8th April 2015 and submitted the report of the Shareholders Meeting and disclosed the report on the company’s website.

Conflict of interests The Board of Directors will take a prudent action when there is any transaction that may create conflicts of interest. The Board has set out a policy and procedure for approval of connected transactions and a policy and measure to ensure that the executives and concerned persons do not use insider information for their own benefits, as detailed below:

- Transactions that may have conflict of interest: After learning of any transactions that have conflict of interest or any connected transactions, the board of directors will consider their appropriateness with prudence and will comply with the SET's regulations. The price and conditions will be considered on an arm's length basis. The details of transaction value, agreement parties, and rationale/necessity will be disclosed in the annual report and Form 56-1.

3. Rights of the stakeholders

The Company has placed importance on the rights of all stakeholder groups, either the internal stakeholders such as the Company's employees and executives or the external stakeholders such as competitors, creditors, government sector, and other concerned agencies. The Company has realized that the supports from these stakeholders help to enhance its competitiveness and profitability which are instrumental in its long-term success. Important actions taken by the Company are as follows:

<i>-Trade partners</i>	<i>THANI has treated and provided services to used car dealers under the trade conditions and has complied with all trade agreements.</i>
<i>-Creditors</i>	<i>THANI has complied with the loan agreement conditions.</i>
<i>-Clients</i>	<i>THANI has treated its clients with care and accountability as well as provided them with quality, standard, fast and on-time services.</i>
<i>-Shareholders</i>	<i>THANI has policies and practices of their responsibilities to the shareholders equally.</i>
<i>-Communities</i>	<i>THANI has been responsible for and taken good care of the environment to ensure there are no harmful impacts on the community environment and the society.</i>

Particularly for the company's employees, the company sets priority to their safety and welfare, for example, the establishment of the provident fund as an incentive for the employees to work with the company, rehearsal of fire evacuation plan, and annual health checkup as well as human resource development to develop their knowledge and ability through internal and external trainings. In 2013, the company has set the comprehensive employee benefits in order to protect the rights and benefits of all employees. In 2014, the company has joined Thanachart Employees' Savings and Credit Co-operative Limited to promote savings for great rewards to employees as well as other benefits such as medical treatment, better interest rates for deposits and loans and so on.

Moreover, the company has a clear policy not to violate or act in a way that could violate the human right and intellectual property or copyright from the company's operations. Therefore, the company has set the channel for stakeholders to report or complain to the Audit Committee in the case of violation of rights or matters that could cause the damages to company via e-mail or company's website.

4. Disclosure and Transparency

The company recognizes the importance of disclosing correct, full, and reliable information in a timely and constant manner, either information related to the operation or the performance. The information shall be disclosed in the annual report, annual report form, Form 56-1 annual report, and the company's website (www.ratchathani.com).

For the 2015 financial report, the company appointed EY Office Limited to be the auditor by which the appointment of auditors and the audit fee depending on the approval of the shareholders at the annual shareholders meeting held on 8th April 2015. The auditors were independent and the auditors from the Security Exchange Commission. The auditing company certified the 2015 financial report with no condition.

Moreover, the company added a channel for investor relations on the company's website to disclose the company's information to the shareholders, analysts, and other investors by contacting:

Miss Rungtip Chaipatanapruk, the company's investor relation

Tel: 02-4319000 ext. 2161.

Email: contact@ratchthani.com

Activities on investor relations

1. The company participated in the "Opportunity Day" event held by Stock Exchange of Thailand (SET). This event aimed to provide information of the company's business and its operations to stock analyst, investors and media. SET held this event quarterly after the announcement of financial statement and the company participated regularly. Investors could visit the company's website (www.ratchthani.com) for more information on shareholders.

Besides, In October 2015 Mr. Kovit Rongwattanasophon, Managing Director/Chairman of the Executives Board, was interviewed on the topic of business operation of second-hand truck leasing and strategy for the solidity growth by the media channel "Business Model, Figure out the Growth Stock" shown on Money Channel, the Stock Exchange of Thailand.

2. On "Company Visit" day, the company aimed to provide information of the company's business and its operations to stock analyst, institutional investors and shareholders. This was another way to build good relations between the management of company and participants, build confident and impression of being one of the company's shareholders of. This would expand our shareholders and future investor base.

Throughout the year 2015, the company allowed both domestic and foreign investors as well as institutional investors from various Securities companies to arrange a meeting with the executives or management as following:

- Kasikorn Securities Plc.
- Thanachart Securities Plc.
- Asia Plus Securities Plc.
- MayBank Kim Eng Securities (Thailand) Plc.
- Krungsri Securities Plc.



- Phatra Capital Plc.
- SCB Securities Co.,Ltd.
- CIMB Securities (Thailand) Co., Ltd.
- Asset Plus Fund Management Securities Co., Ltd.
- TISCO Securities Co., Ltd.
- Country Group Securities Plc.
- AEC Securities Plc.
- AIRA Securities Plc.
- Greyhound Asia Fund Limited
- Sunrise Brokers (Hong Kong)
- Daiwa Asset Management (Singapore), LTD
- Equinox Financial Partners USA
- Leading Assets United Limited
- Lion Global Investors Ltd., Singapore

5. Balance of executive and non-executive directors

The board of directors is composed of twelve members as follows:

Director status	Executive director	Non-executive director	Audit committee member
Director representing shareholders	2	5	-
Independent director	-	-	5

There are 5 members of the Audit Committee, who are the Company's Independent Directors, which make up 41.66% of the total number of directors, and 10 Non-executive Directors, which make up 83.66% of the total number of directors. The Company set up the Board of Director as a control to ensure that the no individual or group of individuals has the absolute authorization or decision making, resulting in both management's efficiency and a proper check and balance mechanism. In addition, the company decentralizes its authorization power to appropriate levels of each functional area according to the management structure on chart.

The Company employs an Internal Audit Unit, which investigates the Company's operation as to whether it is transparent, appropriate and thorough. The Unit directly reports to the Audit Committee, which comprises 5 Independent Directors. Furthermore, the Shareholder General Meeting, number 1/2006, resolved to allow the Siam City Bank Plc. to purchase the newly issued Company's common shares without having to make tender offer (whitewash). The company appointed 4 representatives from Siam City Bank, Plc. (which was now Thanachart Bank, Plc.) to be directors. The Company appointed 4 representatives from the bank, consisting of 2 representatives, who joined as replacements for resigning Directors, making the total of 12 Directors. As a result the proportion of the Independent Directors: representatives from tender offer waiver: other Directors was equal to 33.33% which allowed the balance of authority and proper investigation of the Company's business conduct. The policy on directors' remuneration has been clearly set out with transparency. The remuneration is set at the same rate as that of similar businesses and commensurate with the duties and responsibilities assigned. Moreover, the

amount is high enough to attract and retain the directors with required qualifications and has been approved by the shareholders' meeting. The remuneration for the executives is in accordance with the principle and policy set forth by the Board of Directors and in line with the Company's working performance as well as the performance of each executive. Currently, the company had appointed the Remuneration and Nomination Committee and set a process for remuneration. At present, the Company still has no remuneration committee and has adopted a process for considering appropriate remuneration by basing on the remuneration offered by its business peers as well as its own operational performance.

After becoming a public company, THANI will hold the board of directors' meeting at least every three months. Extra meetings can be called as deemed necessary. The meeting agenda will be definitely set in advance and will include a regular item on the operational follow-up. An invitation letter together with the agenda and documents will be prepared and sent seven days in advance of the meeting so that the board members are given sufficient time to study the information before the meeting. Directors attendance record as at December 31, 2015 is detailed as follows:-

Name	The Board of Directors	The Audit Committee	<u>The Board of Directors</u> (Selection & Remuneration)	<u>The Executives Committee</u>	<u>The Risk Management Committee</u>	<u>Corporate Governance Committee</u>
1. Mr. Virat Chinprapinorn	5/5			12/12	12/12	5/5
2. Mr. Charoensook Kititti	5/5					5/5
3. Mr. Kovit Rongwattanasophon	5/5			12/12	12/12	5/5
4. Mr. Wuttichai Suraratchai	5/5			12/12	12/12	5/5
5. Mr. Anuwat Luengtaweekul	5/5		2/2			5/5
6. Mr. Anuchart Deeprasert	5/5					5/5
7. Mr. Praphan Anupongongarch	5/5			12/12	12/12	5/5
8. Ph.D. Thakol Nunthirapakorn	5/5	5/5				5/5
9. Mr. Surapol Satimanon	5/5	5/5				5/5
10. Mr. Varavudh Varaporn	5/5	5/5	2/2			5/5
11. Mr. Suvit Arunanondchai	5/5	5/5	2/2			5/5
12. Asst.Prof. Naengnoi Chai-Onnom	4/5	4/5				4/5

Note : The Board of Directors held 5 official meetings in December 31, 2015
The Audit Committee held 5 official meetings in December 31, 2015
The Board of Directors (Selection & Remuneration) held 2 official meetings in December 31, 2015
The Executive Committee held 12 official meetings in December 31, 2015
The Risk Management Committee held 12 official meetings in December 31, 2015
The Corporate Governance Committee held 5 official meetings in December 31, 2015

Development of Directors

The Board has the policy encouraging directors to continue developing their knowledge and participating in all trainings set for directors as many as possible. Moreover, the Board encourages all directors to take courses related on corporate governance for executives held by Thai Institute of Directors (IOD).

In 2015 the directors had participated in the courses or seminar to enhance their competences on operation as follows;

No.	Name	Position	Program/Seminar	Organization
1	Mr. Virat Chinprapinporn	Chairman / Executive Director	- Trade and Commerce for Senior Executives, Class 8 (TEPCoT 8)	Commerce Academy, University of the Thai Chamber of Commerce
2	Mr. Anuchart Deeprasert	Director	- CG Forum 1/2015 "CG in Substance: Corporate Culture with Good Governance"	-The Stock Exchange of Thailand
3	Mr. Suvit Arunanondchai	Independent Director/Audit Committee/ Chairman of Nomination and Remuneration Committee	- Successful Formulation and Execution of Strategy (SFE), Class 23/2015 - Building Better Board through Effective Independent Director (Director Forum 2/2015)	- IOD: Thai Institute of Directors - IOD: Thai Institute of Directors
4	Asst.Prof. Naengnoi Chai-Onnom	Independent Director/ Audit Committee	- Ethical Leadership Program (ELP) Class 1/2015	- IOD: Thai Institute of Directors

Evaluation for the performance of the board of Directors

The company has provided a self-assessment plan for the Board of Directors and committees at least once per year with the aim to focus on the evaluation that can reflect the efficiency of the operation. According to corporate governance, the evaluation is divided into two types: 1) an evaluation of the performance of the entire Board and 2) an evaluation of its own performance of individual directors for the Board of Directors to jointly review performances and to improve in the future.

The processes for evaluating the performance of the Board and individually as follow:

1. The Board of Directors conducted a self-assessment plan by themselves in compliance to the Institute of Directors of Thailand and the Stock Exchange of Thailand, which are in accordance with Thanachart Group.
2. Board Secretary summarizes the result of the evaluation of the performance of the Board of Directors as group and individuals.
3. Board Secretary reports the result of the evaluation of the performance of the Board of Directors as group and individuals to the Commission and works on to improve operational efficiency even more.

Criteria for evaluating the performance of the Board of Directors as group and individuals as follow:

1. Evaluation of the performance of the Board of Directors as group: The evaluation involves 9 aspects, including the availability of the board, Strategic and business planning, Risk management and internal control, Conflict of interest, Tracking Financial reporting and operations, The Conference Board Commission on company policy, Committee on Training and Development, and the Nomination and Remuneration Committee.

For the year 2015, the evaluation of the performance of the Board as a whole, the group is in a "very good", with an average of 4.65 out of 5.00, which higher than the year 2014 that its average was 4.50. The directors mostly give opinions that there should be plans to improve reporting of problems or obstacles that may cause the company's operations to not meet the target to the Board of Directors. The agenda is ongoing for the committees to be involved in policy matters including the development of training programs for directors and succession planning for senior management of the company to be more comprehensive and complete.

2. Evaluation of its own performance of individual directors: The evaluation includes 4 aspects, including the duty with caution, Duties with integrity, Compliance with laws, regulations and resolutions of the shareholders' meeting, and disclosures to shareholders with correct, completeness and transparency.

For the year 2015 the evaluation of the performance of the individual in a "very good", which the majority of Directors suggested that members have responsibility, carefulness, honesty Compliance with the laws, regulations of the company, resolutions of the shareholders' meeting. As well as provide comments and suggestions that are valuable to the company. Moreover, they attended the meetings of the Board and its committees regularly.

Succession plan for the position of assistant director

The Board of Directors must ensure that the company has a proper nomination process in selecting a person to be in executive positions. The nomination process for executive position shall be in accordance with the company's selection process where candidates can be the person within or outside the company. Moreover, certain trainings for executives shall be hold along with the succession plan.

Decision on acquisition or disposition of connected transaction of the company's asset

Transaction of the listed company and any of its subsidiaries (in which the listed company hold shares in an amount exceeding 50 percent of the subsidiary's paid in capital) make a decision to enter into an acquisition or disposition of connected transaction of fundamentally important company assets have to follow Rules and Procedures of the Stock Exchange of Thailand. The company has decision to enter into any transaction as specified by the Exchange. In the case of connected transaction, Company



should be use the approval of shareholders in decision to enter into acquisition or disposition of connected transaction of fundamentally important company's asset. The approval of the shareholders for the decision to enter into the transaction requires a vote of not less than three- fourths of the total votes of the shareholders or their proxies (if any) who are present at the meeting and who have right to vote, excluding the votes of interested shareholders.

Supervision of Internal Data Use

The management shall report any changes on their stock holding to the Office of the Securities and Exchange Commission as specified under section 59 of Securities and Exchange Act B.E.2535 and the management or any organization which has received this information shall not disclose to other persons or persons who have no relevant duties. Moreover, there shall be no trading transaction on the company's stocks in a month before the disclosure of financial statement. There is also a policy for the company's management

Audit fee

In 2015, the Company paid the audit fee to EY Office Limited, the company's auditor as the following:

1. Audit Fee, totaling Baht 1,200,000 per year, includes:
 - 1.1 Fee for the audit of the annual financial statement of Baht 410,000.-
 - 1.2 Fee for the review of half-year financial statements of Baht 310,000.-
 - 1.3 Fee for the review of the financial statements for 2 quarters of Baht 240,000.-/quarter
2. No other fees

In 2014, the Company paid the following fees to its auditor, EY Office Limited, the company's auditor as the following:

1. Audit Fee, totaling Baht 1,150,000 per year, includes:
 - 1.1 Fee for the audit of the annual financial statement of Baht 390,000.-
 - 1.2 Fee for the review of the financial statements for the six-month period ending 30 June 2013 of Baht 300,000.-
 - 1.3 Fee for the review of interim financial statements of Baht 460,000.- (for the first and third quarter at Baht 230,000 each)
2. No other fees

In 2013, the Company paid the following fees to its auditor, EY Office Limited. (Its former name was Ernst & Young Office Ltd.) The company's auditor as the following:

1. Audit Fee, totaling Baht 1,150,000 per year, includes:
 - 1.1 Fee for the audit of the annual financial statement of Baht 390,000.-
 - 1.2 Fee for the review of the financial statements for the six-month period ending 30 June 2013 of Baht 300,000.-
 - 1.3 Fee for the review of interim financial statements of Baht 460,000.- (for the first and third quarter at Baht 230,000 each)
2. No other fees

Internal Control and Risk Management

Ratchthani Leasing Public Company Limited has Strategic Management, Risk Management and Internal Control align with Good Corporate Government. That affected to achieve business operation properly and efficiently.

The efficiency internal control is an important management tools to the Company goals. The procedures are brought with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) applied for use in management. Finally as follows:

1. Internal Environment

- The Boards of Directors and management stipulate code of conduct and code of conduct for the Boards of Directors, management and staff.
- The Boards of Directors consists of 41.67 independent directors which are more than the regulation minimum requirement which allow independence from management in assessment and decision making for effective internal control.
- The Boards of Directors and management establish the Company Structure, appropriate responsibilities and segregate of duties to achieve effectiveness of the internal control.

2. Risk Assessment

- The Company identifies risks that may affect the business operation and specific risk response in the corporate levels and functional levels including fraudulent or inappropriate conduct.
- The Company specified objective of the operations, Financial and Non-Financial reporting including compliance with all laws and regulations and identified residual risks to the acceptable level.

3. Control Activities

- The Company has the control activities to mitigate the residual risks to the acceptable level including preventive control, segregate of duties, the level of assessment data and information control, the Level of authorization in business operations and business transactions and physical company assets controls.
- The Company has implemented and maintained s Business Continuity Policy including the event of an uncontrollable emergency situation to ensure continuous business operation.

4. Information and Communication

- The Company implements an efficient information system to provide accurate complete and timely information to support business operation and including the preparation of appropriate information for management decisions making.
- The Company has a communication channel to inform and shared information to staff via electronic email and bulletin board.
- The Company has an investor relationship channel in the Company website to communicate to the investors and has a stakeholders communication channel with the audit Committee via auditcom@thani.co.th

5. Monitoring

The Company provides the outsource independent internal auditor from the internal audit office of Thanachart Bank to perform an independent internal audit duties, evaluate the efficiency and effectiveness of internal control including the information technology control to ensure that the Company has appropriated business operations and the material financial activities including compliance with all laws and regulations in the business operation. Furthermore an annual internal audit plans was prepared base on Risk Based Audit Approach and aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) and was approved from the Audit Committee. The internal audit report was directly reported to the Audit Committee every quarterly.

In 2015, The Board of Directors evaluated and assessed the Company internal control under the guidelines of the Office of the Securities and Exchange Commission and satisfied the Company maintains and appropriate and effective internal control.

The internal audit

The Company has no internal audit department. Since, It has an independent external audit function, they must report directly to the Audit Committee in the performance of audit and report to the President in the administration of the agency.

The Company has appointed officials, the chief internal audit and regulatory compliance of the Bank as the Company's independent auditors and report directly to the Audit Committee, in order to examine and assess the efficiency and effectiveness of the internal control system. Including information systems to ensure that normal business operations and financial activities of the company are conducted according to the guidelines and powerful enough. Including monitoring compliance with laws and regulations relating to the company (Compliance Control) is an addition to the annual internal audit plan, which approved by the Audit Committee. To determine the result of the to determine the result of risk assessment, there are criteria of the risk assessment (Risk Based Audit Approach) and the inspection in accordance under with the internal control of the Committee of Sponsoring Organization of the Treadway Commission (COSO).

Related Party Transactions

In 2014 and 2015 the Company had related party transactions with persons with a conflict of interest. After consideration, the Audit Committee believed that such transactions were reasonable as normal transactions or they supported the Company's normal business with general trade conditions, except special transactions. The appropriateness of transactions and the committee's opinions are detailed as follows.

<i>Name of Related Parties</i>	<i>Relationship with the Company</i>	<i>Business Type</i>
Thanachart Bank Public Company Limited	Parent company	Commercial bank
Baan Rock Garden Public Company Limited	Have common directors and shareholders	Property development
Citywood Company Limited	Have common directors and shareholders	Furniture manufacturer

Loan and Outstanding from Related Persons or Businesses

	Outstanding as at 31 December 2015	(Unit : Baht) 2014
<u>Cash at bank</u>		
Thanachart Bank Public Company Limited	133,303,288	178,571,305
<u>Other asset - Deposit</u>		
Thanachart Bank Public Company Limited	64,788	58,980
<u>Interest receivable</u>		
Thanachart Bank Public Company Limited	10,437	11,684
<u>Short-term loans</u>		
Thanachart Bank Public Company Limited	-	-
Baan Rock Garden Public Company Limited	195,000,000	180,000,000
Citywood Company Limited	-	-
Management, directors and related persons	69,000,000	89,000,000
<u>Liabilities under hire purchase agreement</u>		
Thanachart Bank Public Company Limited	-	198,442
<u>Debentures</u>		
Thanachart Bank Public Company Limited	-	100,000
Thanachart Insurance Company Limited	429,400,000	429,400,000
<u>Overdraft</u>		
Thanachart Bank Public Company Limited	-	-
<u>Accrued interest</u>		
Thanachart Bank Public Company Limited	143,874	39
Thanachart Insurance Company Limited	3,839,895	3,839,895
<u>Accrued expenses</u>		
Thanachart Bank Public Company Limited	5,300	5,300

Related Party Transactions

Related Party Transactions	For Year (Unit : Baht)		Price Setting Policy	Reason/ Appropriateness
	2015	2014		
Thanachart Bank Public Company Limited				
Purchase Software	-	-	As stipulated in agreements	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Interest expenses	2,501,976	11,101,332	As stipulated in agreements	
Bank fee expenses	9,125,684	10,072,661	As stipulated in agreements	
Premises and equipment expenses	299,090	296,639	As stipulated in agreements	
Service fee expenses	9,931,212	5,962,272	As stipulated in agreements	
Interest receivable	744,118	1,230,103	The same rates as charged to general customers	
Baan Rock Garden Public Company Limited				
Interest expenses	7,424,753	5,994,343	As mutually agreed	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Thanachart Insurance Company Limited				
Interest expenses	20,611,200	10,333,833	As stipulated in prospectus	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Management, directors and related persons				
Interest expenses	2,898,496	4,848,789	As mutually agreed	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit

Necessity and appropriateness

Presently, related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit. The related party transactions are necessary and reasonable. For price setting, market prices or costs plus proper profits are taken into consideration such as rental fee. Such expense is forecasted from marketing rental fee plus proper profit. The Company will revise costs and profits annually. The Company will propose the Audit Committee to consider reasons and appropriateness of prices. Prior approvals of the Board of Directors or shareholders are required.

Measures or procedure on approving related party transactions

For transactions due to a normal business such as bank fee, the Company will determine conditions in line with a normal business i.e. marketing prices applied to other customers, or actual costs plus proper profit. For other related party transactions, the Company will determine conditions in line with a normal business i.e. marketing prices applied to other customers with proper conditions. This aims to maximize the benefit of the Company and shareholders. Prior approvals of the Board of Directors or shareholders are required, as a case may be. The Audit Committee or auditors or experts will consider reasons of transactions and appropriateness of prices. The opinions will be proposed to the Board of Directors or shareholders for consideration, as a case may be.

Accordingly, in term of compliance with information disclosure and acquisition or sales of major assets, the Company will observe laws on securities and exchange, regulations, notifications orders or requirements of the Stock Exchange of Thailand, including accounting standards stipulated by Federation of Accounting Professions.

Policy on further related party transactions

In the future, related party transactions will comprise transactions due to a normal business i.e. bank fee etc. Such transactions shall benefit the Company and shall be in line with the approval measures or procedures mentioned above.



Management Discussion and Analysis

Financial Statements

(1) The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2015	Ms. Somjai Khunapasut	4499	EY Office Ltd.
2014	Ms. Somjai Khunapasut	4499	EY Office Ltd.
2013	Ms. Somjai Khunapasut	4499	Ernst & Young Office Ltd.

(2) Summary of auditor report

- The auditor report for the financial statements as of 31 December 2013 - 2015 expressed an unqualified opinion that the financial statements had been prepared accurately in accordance with the generally accepted accounting standards.

Explanation and Analysis of Company's Financial Status and Performance

● Company's performances

- Overview of the past performance

In 2013, the company had the net profit of Baht 754.24 million increased by Baht 276.84 million or 57.99% from the prior year. The increase was due to the total incomes in 2013 amount of Baht 2,396.98 million increased by Baht 813.50 million or 51.37% from the local car industry sector was growth in the first half year of 2013 and the Company had to expand the loan portfolio continuously. Meanwhile, the Company had the financial costs amount of Baht 917.23 million increased by Baht 244.56 million or 36.36% from the prior year which due to increase the funding support of the continuous expanding loan portfolio.

In 2014, the Company had a net profit of 704.09 million baht, down from the previous year 50.15 million baht or 6.65 percent of total revenue for the year 2014 amounted to 2,753.93 million baht, an increase of Baht 356.95 million baht, representing 14.89 percentage growth in the domestic auto industry in the first half. The credit expansion Leasing of the company's ongoing While the company's financial expenses 1,071.90 million baht, an increase of Baht 154.63 million baht or 16.86 percent, up from financing to support the expansion of credit.

For the year 2015, the Company had a net profit of 748.66 million baht, increase from the previous year 44.57 million baht or 6.33 percent of total revenue for the year 2015 amounted to 2,781.88 million baht, a little increase from the previous year 27.95 million baht or 1.02 percent from emphasize to take care of customer base continuously. While the company's financial expenses 1,016.40 million baht, decrease from the previous year 55.50 million baht or 5.18 percent, which still decrease from provide the low funding cost to keep the gap of difference interest in line for take profit regularly.

- Incomes

In 2013, the Company had the total income amount of Baht 2,396.98 million increased by Baht 813.50 million or 51.37% from the local car industry sector which effect from the government public policies and the Company had to expand the loan portfolio continuously. The Company loan expansion was continuously target to new and used trucks from the prior. *(Hire purchase portfolios increased Baht 7,967.44 million, or 42.23%, from 2012.)*

The proportions of total income consists of hire purchase and financial lease amount of Baht 2,111.13 million or 88.07%, the fees and service fees amount of Baht 181.21 million and other incomes amount of Baht 104.64 million, or 7.56% and 4.37% respectively.

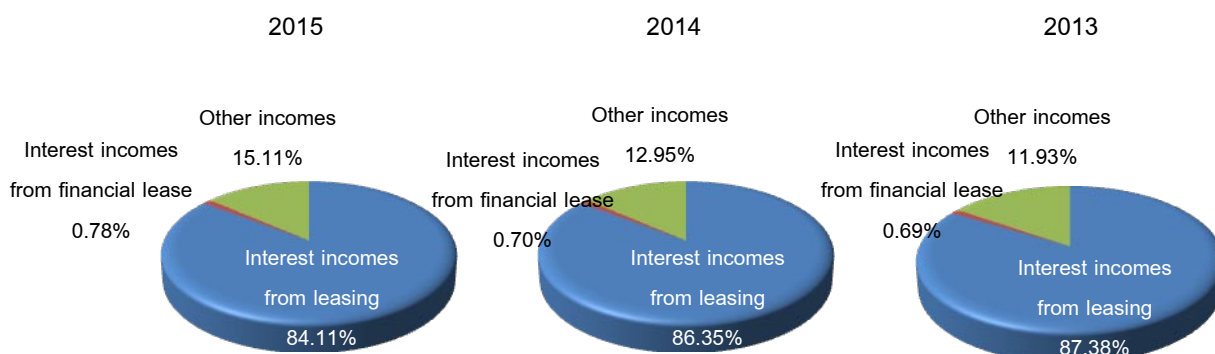
In the year 2014, the company continues to expand its loan portfolio continued. This resulted in total revenue of 2,753.93 million baht, an increase from 2013 of 356.95 million baht or equal to 14.89 percent from (by hire purchase and receivables from financial year 2013 of 470.79 million baht or 1.75 percent).

The main component of revenue in 2014, the company continued to come from. Interest incomes from hire purchase and lease of 2,397.29 million baht or equal to 87.05 of total revenues and revenues from fees and services of 197.12 million baht and other incomes of 159.52 million baht or equal to 7.16 percent and 5.79 percent respectively.

In the year 2015, the company is emphasize to take care of credit base for still in market share. This resulted in total revenue of 2,781.88 million baht, an increase from 2014 of 27.95 million baht or equal to 1.02 percent from (by hire purchase and receivables from financial year 2014 of 1,616.10 million baht or 5.92 percent).

The main component of revenue in 2015, the company consist of interest incomes from hire purchase and lease of 2,361.49 million baht or equal to 84.89 of total revenues and revenues from fees and services of 235.81 million baht and other incomes of 184.58 million baht or equal to 8.48 percent and 6.63 percent respectively.

The ratio of interest income from hire purchase and finance lease incomes (the mean income and service charges and other income) of the Company for the years 2013 2014 and 2015 are as follows.



- Expenses

In 2013, the Company had the financial expense amount of Baht 917.23 million and the selling and administrative expense at Baht 255.41 million. Bad debts and doubtful debts were recorded at Baht 269.10 million and corporate income was Baht 201.01 million.

The financial costs in 2013 amount of Baht 917.23 million, increased from the prior year amount of Baht 244.56 million or 36.36%. The financial costs were increased in a lower rate than the income expansion due to the Company financed the low funding costs. Hence, the interest gap was maintained to ensure the profitability. The interest gaps then rose to 4.45% in 2013.

The selling and administrative expense amount of Baht 255.41 million, increased from the prior year amount of Baht 44.19 million or 20.89%. The increase in selling and administrative expense in this year was due to the staff expenses increased by Baht 30.07 million, building and office equipment expenses increased of Baht 5.20 million in order to support the Company's growth.

Bad debts and doubtful accounts in 2013 amount of Baht 269.10 million, increased from the prior year amount of Baht 187.86 million, or 231.24%, due to the recession of local economic in the last quarter of 2013 and addition recorded the general reserved more than the prior year in comply with the expansion of the loan portfolio.

For the year 2014, the Company's financial expenses 1,071.90 million baht in sales and administrative expenses of Baht 352.58 million in bad debt and doubtful accounts of Baht 432.34 million and 193.02 million baht tax number.

Finance costs in 2014 amounted to 1,071.90 million baht, up 154.63 million baht or 16.86 percent compared to the year 2013, which comes from the financing with low financial cost to protect their interest rates to levels. With the ability to profit consistently, the ratio of interest expenses in 2014, similar to last year at the level of 4.52.

The cost of selling and administrative expenses for the year 2014 amounted to 352.58 million baht, an increase from 2013 of 97.17 million baht, representing 38.04 percentage which comes from the expenditure primarily on its expenses increased approximately 23.42 million baht costs. Tracking seized 32.98 million baht commission Debt collection and legal costs 10.89 million baht.

Bad and doubtful debts for the year 2014 amounted to 432.34 million baht; an increase from 2013 of 163.24 million baht, representing 60.66 percentage as a result of the domestic economy showed signs of slowdown is clearly attributed to the set. Allowance for doubtful accounts in order to reflect the expansion of the company's assets, which have grown exponentially.

For the year 2015, the Company's financial expenses 1,016.40 million baht in sales and administrative expenses of Baht 408.16 million in bad debt and doubtful accounts of Baht 411.92 million and 196.74 million baht tax number.

Finance costs in 2015 amounted to 1,016.40 million baht, down 55.50 million baht or 5.18 percent compared to the year 2014, which comes from the financing with low financial cost to protect their interest rates to levels. With the ability to profit consistently, the ratio of interest expenses in 2015, similar to last year at the level of 4.27.

The cost of selling and administrative expenses for the year 2015 amounted to 408.16 million baht, an increase from 2014 of 55.58 million baht, representing 15.76 percentage which comes from the expenditure primarily on its expenses increased approximately 24.69 million baht costs. Commission Debt collection and legal costs 30.89 million baht.

Bad and doubtful debts for the year 2015 amounted to 411.92 million baht, decrease from 2014 of 20.42 million baht, representing 4.72 percentage as a result of the overall domestic economy is slowdown, that affected to some debtor are delay to settle.

- Net profit

	2015	2014	Increase (Decrease)	%
Net Profit (MB)	748.66	704.09	44.57	6.33
Net Profit Ratio (%)	26.91	25.57	1.34	5.24
Yield (%)	8.13	8.71	(0.58)	(6.66)
Cost of fund (%)	4.27	4.52	(0.25)	(5.53)
Interest Spread (%)	3.86	4.19	(0.33)	(7.88)

In the year 2015, net profit up to 748.66 million baht, from the year 2014 of 44.57 million baht or 6.33 percent, and the net profit margin locate at 26.91 percentage, up from the previous year by 5.24 percentage. From better credit quality management caused to bad and doubtful debt falldown. At the same time the net profit fell due to the result of the interest rate in 2014 dropped to enhance competitiveness amid the economic downturn, which is at 8.71 down to 8.13 or 6.66 percent. In another the company is still managed the cost of financial continue to down. That affected to interest pay rates fall from prior year to 4.27 percent. However in competition strongly caused to difference interest in year 2015 down from prior year to 7.88 percent.

- Financial Status

Total Assets	2015	2014	Increase (Decrease)	
	Baht million	Baht million	Baht million	%
Total Assets	29,504.67	27,864.27	1,640.40	5.89
Hire-Purchase Account Receivable, Net	28,520.75	27,025.55	1,495.20	5.53
Financial Lease- Account Receivable, Net	399.53	278.63	120.90	43.39
Hire-Purchase Account Receivable to Total Assets (%)	96.67	96.99	(0.32)	(0.33)
Foreclosed Assets	85.35	83.34	2.01	2.41



Hire-purchase account receivable was the main part of the Company's assets. In 2014, the Company had the total assets of Baht 27,025.55 million (net of allowance for doubtful accounts), or 96.99% of the total assets.

In 2015, the total assets were amount of Baht 29,504.67 million, an increase of 5.89% from the prior year. The proportion of hire-purchase accounts receivable (net of allowances for doubtful accounts) was at 96.97% of the total assets, indifferent from the last year, due to the slowdown in the overall economic. The company emphasize to core business, take care of customer base for still in market share and has capability in competitive continuously.

Credit Quality and Allowance for Doubtful Accounts

- Hire-Purchase Account Receivable

The hire-purchase accounts receivable, at the end of 2015, 2014 and 2013 were recorded at Baht 28,520.75 million, Baht 27,025.55 million and Baht 26,591.75 million, respectively. The details are summarized as follows:

Unit : Baht	2015	2014	2013
Hire-purchase account receivable	33,355,788,380	31,728,368,286	31,323,287,836
<u>Less</u> Deferred Interest	<u>(3,839,198,986)</u>	<u>(3,783,632,533)</u>	<u>(4,144,493,881)</u>
Total	29,516,589,394	27,944,735,753	27,178,793,955
<u>Less</u> Allowances for doubtful accounts	<u>(995,840,537)</u>	<u>(919,185,901)</u>	<u>(587,039,167)</u>
Net account receivables	<u>28,520,748,857</u>	<u>27,025,549,852</u>	<u>26,591,754,788</u>

The classifications of hire-purchase accounts receivable less deferred interest incomes were shown in the following table.

As of 31 December 2015					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	33,699	1.00%	20,851,583	1,457,513	14,575
1-month overdue	6,958	1.00%	3,653,627	217,158	2,172
2-3 month overdue	6,883	2.00%	3,630,005	173,148	3,463
4-6 month overdue	1,067	20.00%	643,484	643,484	128,697
7-12 month overdue	554	50.00%	275,492	275,492	137,746
Over 12-month overdue	447	100.00%	210,138	210,138	210,138
Account receivables under negotiation agreement	381	100.00%	174,944	174,944	174,944

As of 31 December 2015					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
Receivables from sales of property foreclosed	219	100.00%	77,317	77,317	77,317
Uncollected surplus allowance for doubtful accounts					246,789
Total	50,208		29,516,590	3,229,194	995,841

As of 31 December 2014					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	31,195	1.00%	18,886,369	1,139,494	11,395
1-month overdue	6,930	1.00%	3,830,242	201,756	2,018
2-3 month overdue	7,138	2.00%	3,752,601	156,852	3,137
4-6 month overdue	1,241	20.00%	782,280	782,280	156,456
7-12 month overdue	475	50.00%	227,706	227,706	113,853
Over 12-month overdue	286	100.00%	124,072	124,072	124,072
Account receivables under negotiation agreement	414	100.00%	222,746	222,746	222,746
Receivables from sales of property foreclosed	569	100.00%	118,720	118,720	118,720
Uncollected surplus allowance for doubtful accounts					166,789
Total	48,248		27,944,736	2,973,626	919,186



As of 31 December 2013					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	30,782	1.00%	19,245,400	1,587,701	15,877
1-month overdue	6,808	1.00%	3,974,390	311,916	3,119
2-3 month overdue	5,691	2.00%	2,971,990	201,662	4,033
4-6 month overdue	971	20.00%	553,378	553,378	110,676
7-12 month overdue	301	50.00%	146,181	146,181	73,090
Over 12-month overdue	141	100.00%	50,156	50,156	50,156
Account receivables under negotiation agreement	361	100.00%	197,572	197,572	197,572
Receivables from sales of property foreclosed	208	100.00%	39,727	39,727	39,727
Uncollected surplus allowance for doubtful accounts					92,789
Total	45,263		27,178,794	3,088,293	587,039

Note: The allowance for doubtful accounts receivable and payable in 4 installments are not collateral.

In 2013 the company has set aside an allowance for doubtful accounts of 587.85 million baht, an increase of 235.66 million baht, an increase of 66.91 percent compared to 2012 due to an allowance for doubtful accounts of excess debt may not charged.

In 2014 the company has set aside an allowance for doubtful accounts of Baht 920.22 million, an increase of 332.37 million baht, an increase of 56.54 percent compared to the year 2013 from the company's normal provision has continued to grow. And an allowance Excess provision for doubtful debts may not billable.

In 2015 the company has set aside an allowance for doubtful accounts of Baht 1,000.36 million, an increase of 80.14 million baht, an increase of 8.71 percent compared to the year 2014 from the company's normal provision has continued to grow. And an allowance Excess provision for doubtful debts may not billable among the uncertainty of domestic economy.

The Company's policy is amortized loans written off by the Supreme Court is provided on the debtor and the guarantor of payment to the Company and the Company not can deprive the court to comply with the Court. Amortization of loans as bad debt will lead to decrease in the allowance for doubtful accounts and bad debt recovery are recorded in other income for the year 2015, 2014 and 2013 the company written off as 190.97 million Baht 99.97 million Baht and 33.44 million Baht respectively.

The above table accounts receivable, net of interest that are not recognized as income in the year 2015, 2014 and 2013 the majority of regular debtors who owe less than 3 periods totaling 28,135.21 million Baht 26,469.21 million Baht and 26,191.78 million Baht, respectively, representing 95.32%, 94.72% and 96.37%, respectively. Which represents the debtors, most of the past still in the usual way.

- Financial lease accounts receivable

(Unit : Baht)

2015					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	384,245,421	95.10%	35,071,729	1%	350,717
1-month overdue	13,389,132	3.31%	715,146	1%	7,152
2-3-month overdue	855,792	0.21%	-	2%	-
3-6 month overdue	1,749,136	0.43%	1,749,136	20%	349,827
7-12 month overdue	-	0.00%	-	50%	-
12 month overdue	3,815,464	0.95%	3,815,464	100%	3,815,464
Total	404,054,945	100.00%	41,351,475		4,523,160

(Unit : Baht)

2014					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	268,207,926	95.90%	16,967,093	1%	169,671
1-month overdue	5,459,377	1.95%	524,860	1%	5,249
2-3-month overdue	2,112,936	0.76%	-	2%	-
3-6 month overdue	3,609,132	1.29%	3,609,132	20%	721,826
7-12 month overdue	279,850	0.10%	279,850	50%	139,925
Total	279,669,221	100.00%	21,380,935		1,036,671

(Unit : Baht)

2013					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	232,606,435	95.94%	13,582,120	1%	135,821
1-month overdue	2,518,946	1.04%	203,661	1%	2,037
2-3-month overdue	2,217,898	0.91%	49,674	2%	993
4-6-month overdue	5,107,571	2.11%	3,356,057	20%	671,211
Total	242,450,850	100.00%	17,191,512		810,062



- Adequacy of Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts for the purchase contracts and finance leases based on the estimated losses that may be collection of receivables. Based on the current status of receivables outstanding. Debtors who owes no more than 3 months to an allowance for doubtful accounts of the principal balance net of collateral and for the debtor owes more than 3 months to an allowance for doubtful accounts without collateral and for the debtor under the compromise - the law. An allowance for doubtful accounts without collateral as well

The company also has carefully by an allowance for doubtful debts may charge extra for it. And increase efficiency in the collection to match the size of the loan portfolio by the end of 2015, 2014 and 2013, the Company had loans of non-performing loans (NPL) of 1,386.94 million Baht, 1,479.42 million and 990.37 million baht. Respectively, and the allowance for doubtful accounts of Baht 1,000.36 million Baht 920.22 million and 587.85 million baht respectively.

In 2015, 2014 and 2013, the Company had an allowance for doubtful accounts of 72.31 percent, 62.20 percent and 59.36 of the loan that does not generate revenue, respectively, which was considered to credit tightened and tracking receivables. Strict The Company believes that the allowance for doubtful accounts is still appropriately adequate and effective under normal operations of the company.

- Total Liabilities

	2015	2014	2013
	Baht million	Baht million	Baht million
Total Liabilities	24,940.42	23,985.22	24,069.87
Short-term Loan and Overdraft	7,403.38	7,055.53	7,007.20
Long-term Loan	1,399.72	624.79	1,662.00
Long-term Bond	15,500.00	15,700.00	14,760.00
Other Liabilities	622.52	598.66	640.67

Total liabilities in 2015, 2014 and 2013 amounted to 24,940.42 million Baht, 23,985.22 million Baht and 24,069.87 million baht, respectively. The total debt in 2015, up to 3.98 percent from the year 2014 and the total debt in 2014 decreased by 0.35 over the year. In 2013 will see the company's total debt increased. Arising from the provision of loans, both short and long term to support the lending of the company's credit.

At the end of 2015, total liabilities of the company will consist of the main Short-term loan of Baht 7,403.38 million long-term loan of Baht 1,399.72 million and debentures of 15,500 million baht.

Other current liabilities consist of the following, Tax payable, other creditors of the debtor's car insurance premium payable and transfer deferred by the year 2015 amounted to 622.52 million baht. Other current liabilities increased from the year 2014 of 23.86 million baht or 3.99 percent.

- Shareholders' Equity

On 2 April 2013, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2012 net profit as the legal reserve of Baht 24.50 million. The Meeting also passed the resolution to increase the registered capital from Baht 1,342,349,708 million to Baht 1,610,819,649 million (ordinary shares of 268,469,941 shares, a par value of Baht 1). In addition, the Meeting passed the resolution to pay dividend, at Baht 0.20 per share to the Shareholders in ratio 5:1 dividend share. The Company already registered the capital reduction at the Ministry of Commerce on 29 April 2013. In addition, the Meeting passed the resolution to pay dividend, at Baht 0.03 per share. The total dividend was at Baht 308,740,432.84 million.

In 2013 overall, the shareholders' equity of the Company was at Baht 3,223.38 million, increasing from the year 2012 by approximately Baht 713.97 million or 28.45%. The increase was resulted from the net profit of Baht 754.24 million and the dividend payment of Baht 268.47 million.

On 2 April 2014, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2013 net profit as the legal reserve of Baht 40.00 million from pay dividend date on 29 April 2013. That caused to remain 52 fraction share which pay dividend in cash. The Meeting also passed the resolution to decrease the registered capital from Baht 1,610,819,649 million to Baht 1,610,819,597 million (a par value of Baht 1). The Company already registered the capital reduction at the Ministry of Commerce on 10 April 2014. And passed the resolution to increase the registered capital from Baht 1,610,819,597 million to Baht 2,013,524,496 million (increase ordinary shares of 402,704,899 shares, a par value of Baht 1). In addition, the Meeting passed the resolution to pay dividend, at Baht 0.25 per share to the Shareholders in ratio 4:1 dividend share. The Company already registered the capital reduction at the Ministry of Commerce on 23 April 2014 and pay dividend, at Baht 0.03 per share. The total dividend was at Baht 451,029,487.16 million.

In 2014, the Company's shareholders' equity was at Baht 3,879.05 million, increasing from the year 2013 by Baht 655.77 million or 20.34%. The increase was resulted from the net profit of Baht 704.09 million and stock dividends of 402.70 million.

On 8 April 2015, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2014 net profit as the legal reserve of Baht 35.38 million from pay dividend date on 23 April 2014. That caused to remain 1,718 fraction share which pay dividend in cash. The Meeting also passed the resolution to decrease the registered capital from Baht 2,013,524,496 million to Baht 2,013,522,778 million (a par value of Baht 1). The Company already registered the capital reduction at the Ministry of Commerce on 10 April 2015. And passed the resolution to increase the registered capital from Baht 2,013,522,778 million to Baht 2,416,227,333 million (increase ordinary shares of 402,704,431 shares, a par value of Baht 1). In addition, the Meeting passed the resolution to pay dividend, at Baht 0.20 per share to the Shareholders in ratio 5:1 dividend share. The Company already registered the capital reduction at the Ministry of Commerce on 29 April 2015 and pay dividend, at Baht 0.03 per share. The total dividend was at Baht 463,110,169.94 million.



For the year 2015, the company has a number of shareholders 4,654.26 million baht, an increase from the year 2014 amounted to about 685.21 million baht or equal to 17.66 percentage in profit for the year amounted to 748.66 million baht, dividend payment in cash of 60.41 million baht and stock dividend of 402.70 million baht.

- Liquidity

Cash flow	2015	2014	2013
	Baht million	Baht million	Baht million
Cash flow from (for) operations	162.76	1,195.56	(6,228.07)
Cash flow from (for) investment activities	(54.21)	(7.34)	(19.00)
Cash flow from (for) funding activities	(148.90)	(1,166.79)	6,252.07
Net cash flow increase (decrease)	(40.35)	21.42	5.00
Cash & cash at bank	163.89	204.24	182.82

In 2013, the Company's net cash flow was at Baht 5.00 million, a slight increasing from the prior year which had the net cash flow amount of Baht 177.82 million.

From the liquidity table above, the Company had cash flow from the operations activities amount of Baht 6,228.07 million and had the cash flow from financing activities amount of Baht 6,252.07 million to support the expansion of the loan portfolio.

In 2014, the Company had net cash flow increased by Baht 21.42 million baht, an increase from 2013, with cash of 182.82 million baht from the above table shows that in 2014 the company had net cash provided by operating activities 1,195.56 million baht and the number of credit loan.

For financing activities in 2014 the company had net cash used to 1,166.79 million baht. Used for provide financing by borrowing to support the expansion of hire purchase.

In 2015, the Company had net cash flow decreased by 40.35 million baht, decrease from 2014, with cash of 204.24 million baht from the above table shows that in 2015 the company had net cash provided by operating activities 162.76 million baht, which came from the lending of company's credit.

For financing activities in 2015 the company had net cash used to 148.90 million baht a number of financing, by borrowing to there support the lending of company's credit.

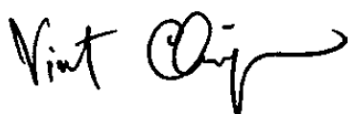
Responsibilities of the Board of Directors for Financial Report

The Board of Directors of Ratchthani Leasing Public Company Limited is responsible for the preparation, disclosure, and presentation of the Company's financial statements including financial information shown in the Annual Report of 2015. Such financial statements were prepared according to general accepted accounting principles with thorough consideration in using appropriate, adequate and consistent accounting policies and estimation related to the financial statements to ensure that the financial reports prepared without any incorrectly significant information for the benefits to shareholders and general investors transparently.

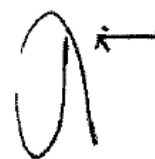
The Board of Directors appointed the Audit Committee comprising of the independent directors to review accounting policies, supervise the quality of financial statements, review the adequacy of the internal control system and internal audit, including the risk management as well as considering the disclosure of connected transactions, which the opinions of Audit Committee on such issues were shown in the Audit Committee Report in the annual report.

The Board of Directors has established proper and efficient control system, risk management system including internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or irregular operation significantly.

The Board of Directors viewed that the overall internal control system of the Company was at satisfactory level and able to reasonably assure that the Company's financial statements for the year ended December 31, 2015 was reliable along with the general accepted accounting principles and conducted precisely with the related laws and regulations.



(Mr. Virat Chinprapinporn)
Chairman of the Board of Directors



(Mr. Kovit Rongwattanasophon)
Managing Director



Report of Audit Committee

The Audit Committee of Ratchthani Leasing Public Company Limited is appointed by the Board of Directors, which comprises of 5 qualified independent directors as follows:

1.	Ph.D. Thakol	Nunthirapakorn	Chairman of Audit Committee
2.	Mr. Suvit	Arunanondchai	Member of Audit Committee
3.	Mr. Varavudh	Varaporn	Member of Audit Committee
4.	Assistant Professor Naengnoi	Chai-onnom	Member of Audit Committee
5.	Mr. Surapon	Satimanont	Member of Audit Committee

All members of Audit Committee are non executives or employees of the Company and possess qualifications as required by the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee has been assigned to supervise and review information of the Company which related to the financial report and disclosure, internal control system and regulatory conduct in compliance with the related supervision agencies including promoting the Company to provide appropriate good corporate governance.

In 2015, the Audit Committee held 5 meetings with the certified auditor, internal auditor, the management and executives from relevant departments to consider and review the financial statements, connected transactions, listen explanation and give suggestion beneficial to the accurate, complete and reliable of the financial statements including the efficiency of the internal control. The resolutions of each meeting shall be summarized to the Board of Directors on the significant issues for acknowledgement and undertaking for improvement. The implementation of the Audit Committee is mainly summarized as follows:

- **The accurate, complete and reliable of Financial Report**

The Audit Committee reviewed the quarterly and annual financial statements of the Company by consulting with the auditor and management of finance and accounting department. Besides, the Audit Committee arranged the meetings with the auditor excluding the participation of the management to consider on the independence of the auditor in performing its duties and expressing an opinion to ensure the financial statements had been conducted in accordance with General Accepted Accounting Principle, with correct information and adequate disclosure as accurately and reliably. In addition, the committee observed and acknowledged the solution approach beneficially to the Company, including promoting on preparing its financial statements on the International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) to comply with the guidelines defined by Federation of Accounting Professions and the Securities and Exchange Commission (SEC)

- **The sufficiency and examination of internal control system**

The Audit Committee reviewed the internal control system to ensure the Company has good and efficient internal control system including anti-corruption control system. To consider on such system, the committee monitored the internal control system together with the independent internal auditor on planning and approval of the annual audit plan, including the sufficiency and suitability of employees, and independence in conducting the internal audit, including following up the performance and corrective actions according to the report of audit on any significant issues continuously. This shall lead to good internal system, efficient risk management, and corporate good governance.

- **Risk Management**

On the previous year, the Audit Committee has reviewed on the Company's various aspects of the risk managements by considering and presenting risk factors effected to the Company's operation and business plan to the Board of Directors.

- **Compliance with Regulatory, Laws or Other Relevant Requirements**

The Audit Committee has reviewed and monitored the operation of the Company in accordance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including laws or relevant requirements on the Company's business to ensure that the Company has complied with such regulations completely.

- **Connected Transactions or Conflicts of Interest**

The Audit Committee has considered and monitored the connected transactions, or conflict of interest by consideration of the necessity, reasonability, transparency, information disclosure, including other requirements received by the Company prior presenting to the Board of Directors for approving such transactions.

- **The Auditor**

The Audit Committee considered the qualification, independence, performance and proper remuneration of the auditor, and presented to the Board of Directors.

The Audit Committee has considered and agreed that the Company has prepared and disclosed the accurate financial information properly, adequately and in accordance with the generally accepted accounting principles. The internal control system and the examination of internal control system are efficient, adequate, and appropriately organized, as well as the efficient risk management. The Audit Committee has also supervised the Company's operation in compliance with the relevant regulations

strictly and monitored the auditor to perform his/her duties on expressing an opinion on the financial reports independently. In addition, the connected transactions and any conflicts of interest are undertaken with transparency, reasonability and sufficient disclosure.



(Thakol Nunthirapakorn, Ph. D.)

Chairman of the Audit Committee

Ratchthani Leasing Public Company Limited
Report and financial statements
31 December 2015



Independent Auditor's Report

To the Shareholders of Ratchthani Leasing Public Company Limited

I have audited the accompanying financial statements of Ratchthani Leasing Public Company Limited, which comprise the statements of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

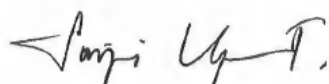
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ratchthani Leasing Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 19 February 2016



Ratchthani Leasing Public Company Limited

Statements of financial position

As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	6	163,892,490	204,241,272
Current portion of hire purchase receivables - net	7	11,328,652,410	10,562,738,087
Current portion of financial lease receivables - net	8	110,738,433	98,036,401
Other receivables		50,903,447	48,009,151
Property foreclosed - net	10	85,345,383	83,335,533
Undue input vat		11,526,522	3,490,886
Other current assets		6,421,190	5,073,304
Total current assets		11,757,479,875	11,004,924,634
Non-current assets			
Restricted bank deposits	11	300,000	300,000
Hire purchase receivables - net of current portion	7	17,192,096,447	16,462,811,764
Financial lease receivables - net of current portion	8	288,793,352	180,596,148
Other long-term investment		185,856	183,129
Investment properties	12	19,326,498	19,326,498
Land, building and equipment - net	13	94,775,589	54,104,045
Intangible assets - net	14	12,865,640	15,707,387
Deferred tax assets - net	15.1	135,677,243	124,204,165
Other non-current assets		3,173,274	2,110,552
Total non-current assets		17,747,193,899	16,859,343,688
Total assets		29,504,673,774	27,864,268,322

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited

Statements of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	16		
Related parties		1,210,000,000	-
Unrelated parties		4,966,692,369	4,972,133,072
Short-term loans	17		
Related person and related parties		264,000,000	269,000,000
Unrelated persons and unrelated parties		880,000,000	778,000,000
Other payables	18	269,587,127	199,921,231
Accrued interest		126,307,811	126,484,162
Current portion of hire purchase and financial lease payables	19	5,487,178	4,648,737
Current portion of long-term loans	20	82,688,080	1,036,404,655
Current portion of debentures - Unrelated parties	21	5,497,927,690	1,499,558,607
Income tax payable		104,570,665	137,709,450
Other current liabilities		122,058,471	134,541,638
Total current liabilities		13,529,319,391	9,158,401,552
Non-current liabilities			
Hire purchase and financial lease payables			
- net of current portion	19	3,892,138	9,379,316
Long-term loans - net of current portion	20	1,399,717,790	624,787,925
Debentures - net of current portion	21		
Related parties		428,947,988	428,799,369
Unrelated parties		9,560,418,164	13,751,411,573
Provision for long-term employee benefits	22	18,121,813	12,443,089
Total non-current liabilities		11,411,097,893	14,826,821,272
Total liabilities		24,940,417,284	23,985,222,824

The accompanying notes are an integral part of the financial statements.



Ratchthani Leasing Public Company Limited

Statements of financial position (continued)

As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Shareholders' equity			
Share capital			
Registered			
2,416,227,333 ordinary shares of Baht 1 each			
(2014: 2,013,524,496 ordinary shares			
of Baht 1 each)	23	2,416,227,333	2,013,524,496
Issued and fully paid-up			
2,416,227,209 ordinary shares of Baht 1 each			
(2014: 2,013,522,778 ordinary shares			
of Baht 1 each)	23	2,416,227,209	2,013,522,778
Share premium		319,888,163	319,888,163
Retained earnings			
Appropriated - statutory reserve	24	183,000,000	145,500,000
Unappropriated		1,645,141,118	1,400,134,557
Total shareholders' equity		4,564,256,490	3,879,045,498
Total liabilities and shareholders' equity		29,504,673,774	27,864,268,322

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited

Statements of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Note	2015	2014
Profit or loss:			
Revenues			
Hire purchase interest income		2,339,894,596	2,377,960,531
Financial leases interest income		21,602,126	19,328,139
Fees and service income		235,812,479	197,117,473
Other income		184,575,209	159,523,204
Total revenues		2,781,884,410	2,753,929,347
Expenses			
Selling expenses		117,491,575	90,476,693
Administrative expenses		290,668,001	262,102,525
Bad debts and doubtful accounts	9	411,924,772	432,339,612
Total expenses		820,084,348	784,918,830
Profit before finance cost and income tax expenses		1,961,800,062	1,969,010,517
Finance cost		(1,016,399,631)	(1,071,901,118)
Profit before income tax expenses		945,400,431	897,109,399
Income tax expenses	15.2	(196,737,384)	(193,020,390)
Profit for the year		748,663,047	704,089,009
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial loss		(3,807,895)	-
Less: Income tax effect		761,579	-
Other comprehensive income for the year (loss)		(3,046,316)	-
Total comprehensive income for the year		745,616,731	704,089,009
Earnings per share	26		
Basic earnings per share		0.31	0.29

The accompanying notes are an integral part of the financial statements.



Ratchthani Leasing Public Company Limited

Cash flows statements

For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Cash flows from operating activities		
Profit before income tax	945,400,431	897,109,399
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	16,376,994	13,470,760
Bad debts and doubtful accounts	411,924,772	432,339,612
Gain on sales of land, building and equipment	-	(327,704)
Impairment loss on property foreclosed	3,241,976	18,823,157
Impairment loss on investment (reversal)	(2,727)	14,073
Increase in provision for long-term employee benefits	1,870,829	1,736,488
Impairment loss on output vat paid in advance	2,761,617	3,778,996
Interest income	(2,361,496,722)	(2,397,288,670)
Interest expenses	1,016,399,631	1,071,901,118
Profit from operating activities before changes in operating assets and liabilities	36,476,801	41,557,229
Operating assets (increase) decrease		
Hire purchase receivables	(2,129,952,595)	(1,100,625,347)
Financial lease receivables	(124,941,609)	(37,617,553)
Other receivables	(5,655,912)	(13,305,185)
Property foreclosed	(5,251,826)	(72,361,847)
Other current assets	(11,743,579)	68,925,643
Other non-current assets	(1,132,886)	439,589
Operating liabilities increase (decrease)		
Other payables	69,665,896	(94,827,165)
Other current liabilities	(12,651,876)	55,951,926
Cash flows used in operating activities	(2,185,187,586)	(1,151,862,710)
Cash received from interest	2,588,367,912	2,632,405,132
Cash paid for income tax	(240,418,959)	(284,982,421)
Net cash flows from operating activities	162,761,367	1,195,560,001

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited
Cash flows statements (continued)
For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Cash flows from investing activities		
Cash paid for acquisition of land, building and equipment	(52,392,291)	(5,654,507)
Cash paid for acquisition of intangible assets	(1,814,500)	(2,714,700)
Proceeds from sales of land, building and equipment	-	1,021,272
Net cash used in investing activities	(54,206,791)	(7,347,935)
Cash flows from financing activities		
Increase (decrease) in bank overdraft and short-term loans		
from financial institutions	1,052,160,265	(782,707,589)
Increase (decrease) in short-term loans	97,000,000	(13,000,000)
Cash received from long-term loans	100,000,000	-
Repayment for long-term loans	(278,666,680)	(351,866,680)
Cash received from issuance of long-term debentures	1,298,202,556	2,933,452,614
Repayment for long-term debentures	(1,500,000,000)	(2,000,000,000)
Repayment for hire purchase and financial lease payables	(4,648,738)	(5,471,902)
Dividend payment	(60,405,739)	(48,324,458)
Cash paid for interest	(852,545,022)	(898,875,251)
Net cash used in financing activities	(148,903,358)	(1,166,793,266)
Net increase (decrease) in cash and cash equivalents	(40,348,782)	21,418,800
Cash and cash equivalents at beginning of year	204,241,272	182,822,472
Cash and cash equivalents at end of year	163,892,490	204,241,272

The accompanying notes are an integral part of the financial statements.

Ratchathani Leasing Public Company Limited

Statements of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2014	1,610,819,597	319,888,163	110,117,814	1,182,455,373	3,223,280,947
Profit for the year	-	-	-	704,089,009	704,089,009
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	704,089,009	704,089,009
Appropriate statutory reserve	-	-	35,382,186	(35,382,186)	-
Dividend paid (Note 23)	402,703,181	-	-	(451,027,639)	(48,324,458)
Balance as at 31 December 2014	2,013,522,778	319,888,163	145,500,000	1,400,134,557	3,879,045,498
Balance as at 1 January 2015	2,013,522,778	319,888,163	145,500,000	1,400,134,557	3,879,045,498
Profit for the year	-	-	-	748,663,047	748,663,047
Other comprehensive income for the year (loss)	-	-	-	(3,046,316)	(3,046,316)
Total comprehensive income for the year	-	-	-	745,616,731	745,616,731
Appropriate statutory reserve	-	-	37,500,000	(37,500,000)	-
Dividend paid (Note 23)	402,704,431	-	-	(463,110,170)	(60,405,739)
Balance as at 31 December 2015	2,416,227,209	319,888,163	183,000,000	1,645,141,118	4,564,256,490

The accompanying notes are an integral part of the financial statements.

Ratchthani Leasing Public Company Limited

Notes to financial statements

For the year ended 31 December 2015

1. Corporate information

Ratchthani Leasing Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Thanachart Bank Public Company Limited, a public limited company existing under Thai laws. The parent company of the Group is Thanachart Capital Public Company Limited, a public limited company also existing under Thai laws. The Company is principally engaged in the providing financial services specifically hire-purchase and leasing. The Company’s registered address is 77/35-36, 11 UP and 14 Floor, Sinsatorn Tower, Krungdhonburi, Klongtonsai, Klongsarn, Bangkok.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal year beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, the following are the standards that directly relevant to the Company.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gain and loss immediately in other comprehensive income while the existing standard allows the entity to recognise such gain and loss immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gain and loss in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current year's transaction. In addition, the Company did not restate the prior year's financial statements, presented as comparative information, as if the Company had always applied this accounting policy because there would be no significant impact to the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Interest income under hire purchase and financial lease

Interest income under hire purchase and financial lease are recognised on an accrual basis by using effective interest method.

The Company ceases accruing income for receivables which installment payment has been defaulted for more than three installments past the due date. Interest is then recognised as income on a cash basis until settlement of such overdue balance has been received.

Interest income received in advance, represents discounts on interest granted to the debtors by dealers, is recognised as income based on the effective interest method in the same manner as interest income recognised on hire purchase receivable.

b) Fees and service income

Fees and service income are recognised when services have been rendered.



4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Commission and expenses charged on hire purchase/financial leases

Initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts. The Company recognised all deferred initial direct expenses as expenses when the receivables are more than three installments overdue.

Unearned income on hire purchase/financial leases is presented net of commission expenses and initial direct costs at the inception of the contracts.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Hire purchase and financial lease receivables

Hire purchase and financial lease receivables are stated at the contract value net of unearned income, which is presented after netting initial direct costs at the inception of the contracts.

4.5 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for hire purchase and financial lease receivables based on the amount of debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided based on the loan balances net of collateral value for receivables overdue by no more than 3 installments, and without deducting collateral value for receivables that overdue by more than 3 installments, receivables under debt compositions and legal receivables.

	<u>Provisioning rate (%)</u>
Normal loans and past due not more than 1 installment	1
Past due more than 1 installments	2
Past due more than 3 installments	20
Past due more than 6 installments	50
Past due more than 12 installments	100

Bad debt and doubtful accounts are recognised in profit or loss in the statement of comprehensive income. The Company has a policy to write-off receivables when a court has ordered a debtor to make payment of a debt but the debtor is unable to do so. Amounts written off as bad debts are deducted from allowance for doubtful accounts, and bad debt recovery is recognised as other income.

4.6 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value.

Gain (loss) on disposal of property foreclosed is recognised in part of profit or loss when disposal. Impairment loss of property foreclosed are recognised as expenses in part of profit or loss in operating activities.

4.7 Investments

Investments in non-marketable equity securities, which are classified as other investments, are stated at cost net of allowance for loss on impairment (if any).



4.8 Investment properties

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

4.9 Land, building and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of building and equipment is calculated with reference to their costs on the straight-line basis over the following estimated useful lives:

Condominium units	-	20 years
Building improvement	-	5 years
Furniture, fixtures and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and building improvement in process.

An item of land, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the asset is derecognised.

4.10 Intangible assets

Intangible assets are initially measured at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Company amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expenses are recognised as expenses in part of profit or loss.

Intangible assets with finite useful lives have useful lives of approximately 5 - 10 years.

4.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term leases

Leases that transfer substantially all the risks and rewards of ownership to the Company are classified as financial leases. Financial leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss over the lease period. Assets acquired under finance leases are depreciated over their estimated useful lives.

Long-term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Moreover, payments made under operating leases are recognised as expenses in part of profit or loss over the term of the leases on the straight-line basis.

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the land, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.



4.14 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts for hire purchase/financial lease receivables

In determining an allowance for doubtful accounts for hire purchase and financial lease receivables, the management needs to make judgement and estimates the probable loss based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

Land, building and equipment and depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the building and equipment and to review estimate useful lives and residual values when there are any changes.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2015	2014
Cash	346	6,858
Bank deposits	163,546	197,383
Total	163,892	204,241

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.37 and 0.40 percent per annum (2014: between 0.37 and 0.40 percent per annum).



7. Hire purchase receivables

7.1 As at 31 December 2015 and 2014, hire purchase receivables generally have terms 24 - 60 months and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

2015				
Amounts due under the agreement				
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 year	Total
Hire purchase receivables	14,418,066	18,933,295	4,427	33,355,788
Less: unearned financial income ⁽²⁾	(2,108,750)	(1,730,417)	(31)	(3,839,198)
Present value of the minimum lease payment receivables	12,309,316	17,202,878	4,396	29,516,590
Less: Allowance for doubtful accounts ⁽³⁾	(980,664)	(15,170)	(7)	(995,841)
Hire purchase receivables - net	11,328,652	17,187,708	4,389	28,520,749

(1) The current portion of hire purchase receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of hire-purchase.

(3) Current portion of allowance for doubtful accounts included additional provision for uncollectible receivables.

(Unit: Thousand Baht)

2014				
Amounts due under the agreement				
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 year	Total
Hire purchase receivables	13,564,438	18,153,698	10,233	31,728,369
Less: unearned financial income ⁽²⁾	(2,094,968)	(1,688,313)	(352)	(3,783,633)
Present value of the minimum lease payment receivables	11,469,470	16,465,385	9,881	27,944,736
Less: Allowance for doubtful accounts ⁽³⁾	(906,732)	(12,433)	(21)	(919,186)
Hire purchase receivables - net	10,562,738	16,452,952	9,860	27,025,550

(1) The current portion of hire purchase receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of hire-purchase.

(3) Current portion of allowance for doubtful accounts included additional provision for uncollectible receivables.

7.2 As at 31 December 2015 and 2014, the balances of hire purchase receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

2015					
Age of receivables	Number of contracts	Hire purchase receivables - net of unearned financial income	Hire purchase receivables - net of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	33,699	20,851,583	1,457,512	1%	11,395
Past due not more than 1 installment	6,958	3,653,627	217,158	1%	2,018
Past due more than 1 installments	6,883	3,630,005	173,148	2%	3,137
Past due more than 3 installments	1,067	643,484	643,484	20%	156,456
Past due more than 6 installments	554	275,492	275,492	50%	113,853
Past due more than 12 installments	447	210,138	210,138	100%	124,072
Court judge receivables	246	113,293	113,293	100%	180,158
Receivables under compromise agreement	135	61,651	61,651	100%	42,588
Receivables from sales of property foreclosed					
/Recoverable damages receivables	219	77,317	77,317	100%	118,720
Total	50,208	29,516,590	3,229,193		749,052
Allowance for doubtful accounts	-				
additional provision for uncollectible					
receivables					246,789
Total					995,841

(1) Hire purchase receivables that are more than 3 installments past due, court judge receivables, receivables under compromise agreement, receivables from sales of property foreclosed and recoverable damages receivables are presented after deduction of unearned financial income, without deducting collateral value.



(Unit: Thousand Baht)

2014					
Age of receivables	Hire purchase				
	Hire purchase		receivables - net of		
	Number	receivables - net of	unearned financial	Rate of	allowance
	of	unearned financial	income and collateral	for doubtful	Allowance for doubtful
	contracts	income	value ⁽¹⁾	accounts	accounts
Not yet due	31,195	18,886,369	1,139,494	1%	11,395
Past due not more than 1 installment	6,930	3,830,242	201,756	1%	2,018
Past due more than 1 installments	7,138	3,752,601	156,852	2%	3,137
Past due more than 3 installments	1,241	782,280	782,280	20%	156,456
Past due more than 6 installments	475	227,706	227,706	50%	113,853
Past due more than 12 installments	286	124,072	124,072	100%	124,072
Court judge receivables	327	180,158	180,158	100%	180,158
Receivables under compromise agreement	87	42,588	42,588	100%	42,588
Receivables from sales of property foreclosed					
/Recoverable damages receivables	569	118,720	118,720	100%	118,720
Total	48,248	27,944,736	2,973,626		752,397
Allowance for doubtful accounts					
- additional provision for uncollectible					
receivables					166,789
Total					919,186

(1) Hire purchase receivables that are more than 3 installments past due, court judge receivables, receivables under compromise agreement, receivables from sales of property foreclose and recoverable damages receivables are presented after deduction of unearned financial income, without deducting collateral value.

7.3 As at 31 December 2015, the Company had hire purchase receivables amounting to approximately Baht 1,930.46 million, for which revenue recognition has ceased (2014: Baht 1,980.09 million).

7.4 As at 31 December 2015, the Company had non-performing loans (receivables overdue more than 3 installments) amounting to approximately Baht 1,381.37 million (2014: Baht 1,475.52 million).

- 7.5** During the year ended 31 December 2015, receivables under 1,289 hire purchase contracts amounting to Baht 905 million negotiated restructuring by modification of terms, whereby repayment schedules were extended. The remaining periods to maturity of these receivables under the new contracts are as follows:

Period	Number of contracts	Outstanding loan balance
		(Thousand Baht)
Defaulted after reschedule	765	580,276
Due in over 1 year	494	313,891
Premature settlement	30	11,318
Total	1,289	905,485

As at 31 December 2015, there remained 1,560 hire purchase receivable contracts for which modifications of terms had been negotiated, with outstanding balances totaling Baht 1,005 million.

- 7.6** The notification of the Institute of Certified Accountants and Auditors of Thailand, approved by the Office of the Securities and Exchange Commission, lays down an accounting guideline for the consumer finance business. This requires that full allowance be recorded for doubtful accounts without taking collateral value into account and recognition of revenue cease for accounts receivable which are overdue by more than three installments, and general allowance be provided for accounts receivable which are not overdue or overdue by no more than three installments, or use an alternative method where the Company believes that this would be more appropriate. The Company estimates allowance for doubtful accounts based on consideration of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection, and believes that rates currently used to set allowance for doubtful accounts are appropriate.



8. Financial lease receivables

8.1 As at 31 December 2015 and 2014, the average contract period of the Company's financial lease receivables are 36 - 60 installments and equally installment payment with interest charged at the fixed rate as specified in the contracts. The balances of financial lease receivables are classified by period due as follows:

(Unit: Thousand Baht)

	2015		
	Amounts due under the agreement		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	139,808	322,145	461,953
Less: Unearned financial income ⁽²⁾	(24,813)	(33,085)	(57,898)
Present value of the minimum lease payments receivables	114,995	289,060	404,055
Less: Allowance for doubtful accounts	(4,257)	(266)	(4,523)
Financial lease receivables - net	110,738	288,794	399,532

(1) The current portion of financial lease receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of financial leases.

(Unit: Thousand Baht)

	2014		
	Amounts due under the agreement		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	115,962	200,988	316,950
Less: Unearned financial income ⁽²⁾	(17,020)	(20,260)	(37,280)
Present value of the minimum lease payments receivables	98,942	180,728	279,670
Less: Allowance for doubtful accounts	(905)	(132)	(1,037)
Financial lease receivables - net	98,037	180,596	278,633

(1) The current portion of financial lease receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of financial leases.

8.2 As at 31 December 2015 and 2014, the balances of financial lease receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

2015					
Age of receivables	Number of contracts	Financial lease receivables - net of unearned financial income	Financial lease receivables - net of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	320	384,246	35,072	1%	351
Past due not more than 1 installment	8	13,389	715	1%	7
Past due more than 1 installments	1	856	-	2%	-
Past due more than 3 installments	1	1,749	1,749	20%	350
Past due more than 6 installments	-	-	-	50%	-
Past due more than 12 installments	3	3,815	3,815	100%	3,815
Total	333	404,055	41,351		4,523

(1) Financial lease receivables that are more than 3 installments past due are presented after deduction of unearned financial income, without deducting collateral value.

(Unit: Thousand Baht)

2014					
Age of receivables	Number of contracts	Financial lease receivables - net of unearned financial income	Financial lease receivables - net of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	254	268,208	16,967	1%	170
Past due not more than 1 installment	3	5,460	525	1%	5
Past due more than 1 installments	2	2,113	-	2%	-
Past due more than 3 installments	1	3,609	3,609	20%	722
Past due more than 6 -12 installments	2	280	280	50%	140
Total	262	279,670	21,381		1,037

(1) Financial lease receivables that are more than 3 installments past due are presented after deduction of unearned financial income, without deducting collateral value.

8.3 As at 31 December 2015, the Company had financial lease receivables for which revenue recognition has ceased, and had non-performing loans amounting to approximately Baht 5.6 million (2014: Baht 3.9 million).



9. Allowance for doubtful accounts

Movements of allowance for doubtful accounts of hire purchase and financial lease receivables for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2015	2014
Balance beginning of the year	920,223	587,849
Add: Doubtful account increase during the year	411,925	432,340
Less: Bad debt written - off	(190,970)	(99,966)
Sales of accounts receivable	(140,814)	-
Balance end of the year	1,000,364	920,223

10. Property foreclosed

(Unit: Thousand Baht)

	For the year ended 31 December 2015		
	Balance - beginning of the year	Additions	Disposals
Cost	115,822	579,956	(574,705)
Less: Allowance for impairment	(32,486)	(3,242)	-
Net	83,336	576,714	(574,705)

(Unit: Thousand Baht)

	For the year ended 31 December 2014		
	Balance - beginning of the year	Additions	Disposals
Cost	43,460	479,545	(407,183)
Less: Allowance for impairment	(13,663)	(18,823)	-
Net	29,797	460,722	(407,183)

11. Restricted bank deposits

A fixed deposit of the Company was pledged as collateral against the bank's overdraft facilities.

12. Investment properties

The investment properties represent land which currently undetermined future use. As at 31 December 2015, the fair value of investment properties amounted to Baht 31.61million determined based on market price performed by an independent valuer.

13. Land, building and equipment

(Unit: Thousand Baht)

	For the year ended 31 December 2015						
		Condominium	Building	Furniture,	Motor	Building	
	Land	units	improvement	fixtures and	vehicles	improvement	Total
				equipment		in process	
Cost							
1 January 2015	5,890	32,718	9,282	21,434	23,916	202	93,442
Additions	-	48,763	461	3,169	-	-	52,393
31 December 2015	5,890	81,481	9,743	24,603	23,916	202	145,835
Accumulated depreciation							
1 January 2015	-	11,508	6,238	13,052	8,540	-	39,338
Depreciation for the year	-	3,250	910	2,839	4,722	-	11,721
31 December 2015	-	14,758	7,148	15,891	13,262	-	51,059
Net book value							
31 December 2015	5,890	66,723	2,595	8,712	10,654	202	94,776
Depreciation charge for the year							11,721

(Unit: Thousand Baht)

For the year ended 31 December 2014							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2014	5,890	32,718	7,308	18,661	21,716	202	86,495
Additions	-	-	1,974	2,897	5,762	-	10,633
Disposals/written off	-	-	-	(124)	(3,562)	-	(3,686)
31 December 2014	5,890	32,718	9,282	21,434	23,916	202	93,442
Accumulated depreciation							
1 January 2014	-	10,035	5,570	10,913	6,966	-	33,484
Depreciation for the year	-	1,473	668	2,244	4,464	-	8,849
Disposals/written off	-	-	-	(105)	(2,890)	-	(2,995)
31 December 2014	-	11,508	6,238	13,052	8,540	-	39,338
Net book value							
31 December 2014	5,890	21,210	3,044	8,382	15,376	202	54,104
Depreciation charge for the year							8,849

As at 31 December 2015, certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 15.09 million (2014: Baht 13.59 million).



14. Intangible assets

The intangible assets are computer software which presented below.

(Unit: Thousand Baht)

	For the year ended 31 December 2015			
	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	29,499	1,815	-	31,314
Less: Accumulated amortisation	(13,792)	-	(4,656)	(18,448)
Net book value	15,707	1,815	(4,656)	12,866
Amortisation during the year				4,656
Remaining useful lives				0 - 10 years

(Unit: Thousand Baht)

	For the year ended 31 December 2014			
	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	26,785	2,714	-	29,499
Less: Accumulated amortisation	(9,167)	-	(4,625)	(13,792)
Net book value	17,618	2,714	(4,625)	15,707
Amortisation during the year				4,625

As at 31 December 2015, certain intangible assets have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 5.96 million (2014: Baht 5.87 million).

15. Deferred tax assets/income tax expenses

15.1 Deferred tax assets

As at 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Deferred tax assets		
Allowance for doubtful accounts	179,083	172,810
Allowance for impairment - properties foreclosed	7,146	6,497
Difference of financial leases income	4,364	4,944
Provision for long-term employee benefits	3,624	2,489
Others	2,228	1,615
Total	196,445	188,355
Deferred tax liabilities		
Deferred initial direct costs of hire-purchase	58,019	59,922
Deferred fees/expenses on borrowings	2,727	4,208
Others	22	21
Total	60,768	64,151
Deferred tax assets - net	135,677	124,204

15.2 Income tax expenses

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	2015	2014
Current income tax:		
Current income tax charge for the year	207,449	280,005
Adjustment in respect of current income tax of previous year	-	260
Deferred tax:		
Relating to origination and reversal of temporary differences	(10,712)	(87,245)
Income tax expenses reported in the statements of comprehensive income	196,737	193,020



The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Deferred tax relating to actuarial loss	761	-

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Accounting profits before tax	945,400	897,109
Applicable tax rate	20%	20%
Income tax at the applicable tax rate	189,080	179,422
Adjustment in respect of current income tax of previous year	-	260
Tax effect of non-deductible income/ expenses	7,657	5,736
Reversal of deferred tax which are expected not to be able to utilise	-	7,602
Income tax expenses reported in the statements of comprehensive income	196,737	193,020

16. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
	Interest rate	2015	2014
Related party - Parent company			
Promissory notes	Fixed	1,210,000	-
Total		1,210,000	-
Unrelated party			
Promissory notes	Fixed	90,000	350,000
Bill of exchange	Fixed	4,876,692	4,622,133
Total		4,966,692	4,972,133

Short-term loans are in the form of promissory notes with maturities as stipulated in each of the note. Interest is payable monthly. The relevant agreements contain certain terms and conditions, such as a requirement to maintain a debt to equity ratio of not more than 10:1. In addition, the Company had loans in the form of bills of exchange with maturities as stipulated on each of the bill.

As at 31 December 2015, the short-term credit facilities which has not yet drawn down amounted to Baht 2,240 million.

17. Short-term loans

As at 31 December 2015 and 2014, these short-term loans are in the form of promissory notes with related parties and unrelated parties. They have fixed interest rates and principal are payable as stipulated in each of the note.

18. Other payables

	(Unit: Thousand Baht)	
	2015	2014
Payables for car purchase	203,952	154,832
Other payables - insurance premium payable	43,362	26,166
Accrued expenses	20,480	17,252
Other payables	1,793	1,671
Total other payables	269,587	199,921

19. Liabilities under hire purchase and finance lease agreements

	(Unit: Thousand Baht)	
	2015	2014
Liabilities under hire purchase and finance lease agreements	9,914	15,146
Less: Deferred interest expenses	(535)	(1,118)
Total	9,379	14,028
Less : Current portion due within one year	(5,487)	(4,649)
Liabilities under hire purchase and finance lease agreements - net		
of current portion	3,892	9,379

The Company has entered into the hire purchase and finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

As at 31 December 2015, the Company had commitment to pay minimum lease payments under the hire purchase and finance lease agreements as follows:

	(Unit: Thousand Baht)		
	Less than year	1-5 years	Total
Minimum lease payments	5,834	4,080	9,914
Less: Deferred interest expenses	(347)	(188)	(535)
Present value of minimum lease payments	5,487	3,892	9,379



20. Long - term loans

		(Unit: Thousand Baht)	
		2015	2014
a)	A long-term credit facility from a bank amounting to Baht 800 million, repayable in full within 3 years from the drawdown date. Since April 2015, the term of repayment has been extended to repayable in full within 75 months. Interest is charged at fixed rate per annum and payable monthly	800,000	800,000
b)	A long-term credit facility from a bank amounting to Baht 280 million, repayable in 10 quarterly installments, with interest at the rate of MLR less fixed percentage per annum and payable monthly	-	112,000
c)	A long-term credit facility from a bank amounting to Baht 500 million, repayable in full within 4 years from the drawdown date, with interest at fixed rate per annum and payable monthly	500,000	500,000
d)	A long-term credit facility from a bank amounting to Baht 500 million, repayable in 12 quarterly installments, with interest at fixed rate per annum and payable monthly	83,333	250,000
e)	A long-term credit facility from a bank amounting to Baht 200 million, repayable in full within 3 years from the drawdown date, with interest at fixed rate per annum and payable quarterly	100,000	-
Total		1,483,333	1,662,000
Less: Deferred loans issuing costs		(927)	(807)
Long-term loans		1,482,406	1,661,193
Less: Current portion due within one year		(82,688)	(1,036,405)
Long-term loans - net of current portion		1,399,718	624,788

The outstanding loan agreements described above require the Company to comply with certain terms and conditions e.g. maintenance of a debt to equity ratio of not more than 10:1.

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

	(Unit : Thousand Baht)
Balance as at 1 January 2015	1,662,000
Add: Loans drawdown during the year	100,000
Less: Loans repayment during the year	(278,667)
Balance as at 31 December 2015	1,483,333

21. Debentures

(Unit: Thousand Baht)

Debenture	Debenture period	Date of issuance	Maturity date	Interest rate	2015	2014
				(% p.a.)		
1	3 years	27 April 2012	27 April 2015	5.20	-	1,500,000
2	4 years	27 April 2012	27 April 2016	5.50	2,500,000	2,500,000
3	4 years	1 November 2012	1 November 2016	5.00	3,000,000	3,000,000
4	4 years	14 June 2013	14 June 2017	4.70	2,000,000	2,000,000
5	3 years	30 August 2013	5 April 2017	4.759	760,000	760,000
	7 months 5 days					
6	4 years	25 October 2013	25 October 2017	4.80	3,000,000	3,000,000
7	4 years	2 May 2014	2 May 2018	4.75	2,000,000	2,000,000
8	2 years 11 months 28 days	30 April 2014	28 April 2017	4.25	80,000	80,000
9	3 years 9 days	30 April 2014	9 May 2017	4.25	200,000	200,000
10	3 years 18 days	21 May 2014	8 June 2017	4.25	210,000	210,000
11	3 years 7 days	3 July 2014	10 July 2017	4.22	150,000	150,000
12	2 years 10 months	25 September 2014	25 July 2017	4.10	300,000	300,000
13	2 years 3 months	28 April 2015	28 July 2017	3.35	200,000	-
14	2 years 11 months 25 days	3 September 2015	28 August 2018	3.10	150,000	-
15	3 years	11 September 2015	11 September 2018	3.10	350,000	-
16	2 years 11 months 19 days	23 September 2015	12 September 2018	3.10	150,000	-
17	2 years 11 months 22 days	2 October 2015	24 September 2018	3.00	150,000	-
18	3 years 1 days	9 October 2015	10 October 2018	3.00	300,000	-
Total					15,500,000	15,700,000
Less: Deferred debentures issuing costs					(12,706)	(20,230)
Debentures					15,487,294	15,679,770
Less: Current portion due within one year					(5,497,928)	(1,499,559)
Debentures - net of current portion					9,989,366	14,180,211

Debentures 1 - 4, 6 and 7 above are registered, unsubordinated, unsecured debentures with trustees. Interest is payable every 3 months throughout the life of the debentures.

Debentures 5 and 8 - 18 are registered, unsubordinated, unsecured debenture with no trustee. Interest is payable every 6 months throughout the life of the debentures.

The Company has to comply with certain terms and conditions, such as maintenance of a debt to equity ratio of not more than 10:1 throughout the life of the debentures. In addition, the Company can early redeem the debentures if certain specified conditions are met.



22. Provision for long-term employee benefits

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2015	2014
Beginning balance of provision for long-term employee benefits	12,443	11,250
Current service cost	1,323	1,357
Interest cost	548	601
Benefit paid during the year	-	(543)
Actuarial (gain) loss arising from		
Demographic assumption changes	1,178	(2,393)
Financial assumption changes	703	134
Experience adjustments	1,927	2,037
Ending balance of provision for long-term employee benefits	18,122	12,443

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2015	2014
Current service cost	1,323	1,357
Interest cost	548	601
Actuarial gain recognised during the year	-	(222)
Total expense recognised in profit or loss		
(Selling and administrative expenses)	1,871	1,736

As at 31 December 2015, the weighted average duration for payment long-term employee benefits of the Company is 24 years, and the Company expected to pay long-term employee benefits within next 1 year amounting to Baht 0.3 million.

Key actuarial assumptions at the valuation date are as follows:

	2015	2014
	(% per annum)	(% per annum)
Discount rate	3.83	3.98
Future salary increase rate (depending on age of employee)	7.43	7.10
Staff turnover rate (depending on age of employee)	5 - 8	6 - 8

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below.

	(Unit: Thousand Baht)	
	Rate increase by 0.5%	Rate decrease by 0.5%
Discount rate	Liabilities decreased by 870	Liabilities increased by 940
Salary increase rate	Liabilities increased by 881	Liabilities decreased by 825

23. Share capital/Dividend

Share capital

On 2 April 2014, the Annual General Meeting of Shareholders approved an increase in the Company's registered share capital of Baht 402.7 million (402.7 million ordinary shares of Baht 1 each), from Baht 1,610.8 million (1,610.8 million ordinary shares of Baht 1 each) to Baht 2,013.5 million (2,013.5 million ordinary shares of Baht 1 each), to accommodate the issue of the stock dividend. The Company registered the increase of its capital with the Ministry of Commerce on 10 April 2014.

On 8 April 2015, the Annual General Meeting of Shareholders approved an increase in the Company's registered share capital of Baht 402.7 million (402.7 million ordinary shares of Baht 1 each), from Baht 2,013.5 million (2,013.5 million ordinary shares of Baht 1 each) to Baht 2,416.2 million (2,416.2 million ordinary shares of Baht 1 each), to accommodate the issue of the stock dividend. The Company registered the increase of its capital with the Ministry of Commerce on 21 April 2015.



Dividend

On 2 April 2014, the Annual General Meeting of Shareholders passed resolutions to pay a dividend of Baht 0.03 per share to the holders of the 1,610,819,597 ordinary shares, or a total dividend payment of Baht 48 million, and distribute a stock dividend of 402,703,181 shares (par value of Baht 1 per share) to the existing shareholders at a rate of 1 dividend share for every 4 shares held. This stock dividend was equivalent to a dividend payment of Baht 0.25 per share, or a total of Baht 451 million.

On 8 April 2015, the Annual General Meeting of Shareholders passed resolutions to pay an annual dividend for the year 2014 of Baht 0.03 per share to the holders of the 2,013,522,778 ordinary shares, or a total dividend payment of Baht 60 million, and distribute a stock dividend of 402,704,555 shares (par value of Baht 1 per share) to the existing shareholders at a rate of 1 dividend share for every 5 shares held. This stock dividend was equivalent to a dividend payment of Baht 0.20 per share, or a total of Baht 403 million. The Company paid the dividend to the shareholders on 29 April 2015.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Bad debt and doubtful account	411,925	432,340
Salary and wages and other employee benefits	200,231	175,543
Bank charges and service fee expenses	26,918	21,969
Impairment loss on property foreclosed	3,242	18,823
Depreciation and amortisation	11,721	13,471
Legal fees	47,824	13,401

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares is adjusted for the proportionate change in the number of ordinary shares as a result of the issue of a stock dividend.

On 8 April 2015, the Annual General Meeting of Shareholders approved to pay cash dividend of Baht 0.03 per share, and stock dividend of 402.70 million shares to the existing shareholders. For the purpose of calculating earnings per share, the Company adjusted the number of ordinary shares used to calculate the earnings per share, as though it had issued the stock dividend at the beginning of the periods.

	For the years ended 31 December	
	2015	2014
		(Restate)
Number of ordinary shares issued during the year		
(Thousand shares)	2,416,227	2,013,523
Number of stock dividends (Thousand shares)		
During 2015, issue a stock dividend of 402,704,555 shares to the existing		
shareholders in a ratio of 1 dividend share for every		
5 shares held	-	402,704
Total (Thousand shares)	2,416,227	2,416,227
Profit for the year (Thousand Baht)	748,663	704,089
Earnings per share (Baht per share)	0.31	0.29

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Managing Director has been identified as chief operating decision maker.

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows: (1) New car (2) Used car and (3) Others.



The chief operating decision maker monitors the operating results of the Company's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which is measured on the same basis as that used for reporting profit and loss in the financial statements. However, the Company's finance costs and income taxes are managed on a group basis, and therefore these expenses are not allocated to each operating segment.

The following tables present revenue, profit and segment assets information regarding the Company's operating segments for the years ended 31 December 2015 and 2014.

(Unit: Thousand Baht)

	For the year ended 31 December 2015		
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	1,266,190	1,073,705	2,339,895
Financial leases interest income	18,282	3,320	21,602
Other income	134,143	132,095	266,238
Unallocated other income			154,149
Total revenues	1,418,615	1,209,120	2,781,884
Operating expenses	41,088	53,042	94,130
Impairment loss on property foreclosed			3,242
Depreciation and amortisation			16,377
Unallocated operating expenses			294,410
Bad debts and doubtful accounts			411,925
Finance cost			1,016,400
Profit before income tax			945,400
Income tax			(196,737)
Profit for the year			748,663

(Unit: Thousand Baht)

	For the year ended 31 December 2014		
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	1,209,625	1,168,336	2,377,961
Financial leases interest income	14,949	4,379	19,328
Other income	105,367	113,143	218,510
Unallocated other income			138,130
Total revenues	1,329,941	1,285,858	2,753,929
Operating expenses	20,545	37,382	57,927
Impairment loss on property foreclosed			18,823
Depreciation and amortisation			13,471
Unallocated operating expenses			262,358
Bad debts and doubtful accounts			432,340
Finance cost			1,071,901
Profit before income tax			897,109
Income tax			(193,020)
Profit for the year			704,089

The following table presents segment assets of the Company's operating segments as at 31 December 2015 and 2014:

(Unit: Thousand Baht)

	As at 31 December 2015		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	18,683,301	10,236,980	28,920,281
Unallocated assets			584,393
Total assets			29,504,674

(Unit: Thousand Baht)

	As at 31 December 2014		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	16,839,980	10,464,203	27,304,183
Unallocated assets			560,085
Total assets			27,864,268



Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the years 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The provident fund is managed by Thanachart Asset Management Company Limited, which will be paid to employees upon termination in accordance with the fund rules. The Company contributed for the year 2015 amounting to approximately Baht 5.2 million (2014: Baht 4.5 million) were recognised as expenses.

29. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. List of related parties and transactions are summarised below.

Name of related parties	Relationship with the Company
Thanachart Bank Public Company Limited	Parent company
Baan Rock Garden Public Company Limited	Have common director and shareholder
Citywood Company Limited	Have common director and shareholder
Thanachart Insurance Public Company Limited	Affiliated Company

(Unit: Thousand Baht)			
	For the years ended		31
	December		Transfer pricing policy
	2015	2014	(For the year 2015)
<u>Transactions with related parties</u>			
Parent company - Thanachart Bank Plc.			
Interest income	744	1,230	The same rates as charged to general customers
Interest expenses	2,502	11,101	As stipulated in agreements and prospectus
Bank fee expenses	9,126	10,073	As stipulated in agreements
Premises and equipment expenses	299	297	As stipulated in agreements
Service fee expenses	9,931	5,962	As stipulated in agreements
Related parties			
Interest expenses - Baan Rock Garden Plc.	7,425	5,994	As mutually agreed
Interest expenses - Thanachart Insurance Plc.	20,611	10,334	As stipulated in prospectus
Management, directors and related persons			
Interest expenses	2,898	6,759	As mutually agreed

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)		
	2015	2014
Cash at bank		
Parent company - Thanachart Bank Plc.	133,303	178,571
Other assets - Deposit		
Parent company - Thanachart Bank Plc.	65	59
Interest receivable		
Parent company - Thanachart Bank Plc.	10	12
Short-term loans		
Related parties - Baan Rock Garden Plc.	195,000	180,000
Management, directors and related persons	69,000	89,000
Liabilities under hire purchase agreement		
Parent company - Thanachart Bank Plc.	-	198
Debentures		
Parent company - Thanachart Bank Plc.	-	100
Related parties - Thanachart Insurance Plc.	429,400	429,400
Other payables - Accrued expenses		
Parent company - Thanachart Bank Plc.	5	5
Accrued interest		



	(Unit: Thousand Baht)	
	2015	2014
Parent company - Thanachart Bank Plc.	144	-
Related parties - Thanachart Insurance Plc.	3,840	3,840

Movement of loans from related parties during the year are as follows:

	(Unit: Thousand Baht)			
	For the year ended 31 December 2015			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans</u>				
Baan Rock Garden Plc.	180,000	570,000	555,000	195,000
Management, directors and related persons	89,000	272,000	292,000	69,000
<u>Debentures</u>				
Thanachart Bank Plc.	100	74,900	75,000	-
Thanachart Insurance Plc.	429,400	-	-	429,400

Directors and management's benefits

During the years 2015 and 2014, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	2015	2014
Short-term employee benefits	33,535	28,129
Post-employment benefits	548	586
Total	34,083	28,715

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 to 5 years. As at 31 December 2015 and 2014, future minimum lease payments required under these non-cancellable operating leases contracts are as follows.

	(Unit: Thousand Baht)	
	2015	2014
Payable within		
Less than 1 year	4,859	7,217
1 to 5 years	1,864	4,851

30.2 Long-term service commitments

As at 31 December 2015 and 2014, the Company has commitments in respect of the agreements appointing debenture trustees and a debenture holder representatives, whereby fees payable in the future are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Payable within		
Less than 1 year	827	979
1 to 4 years	514	1,292

30.3 The Company has commitments under support service agreement with its parent company which had expired on 31 December 2015. However, subsequent to the end of reporting period, the Company has still to be received the service and in the process of drawing up a new service agreement.

30.4 Litigation

As at 31 December 2015, the Company is being sued as defendant or co-defendant in lawsuits with claims totaling Baht 45 million. Final judgements have not yet been rendered in these cases. (Baht 34 million of the total claims relate to one tort case which was filed against the Company together with a hire purchase receivable and 9 other co-defendants, with the Company the 2nd defendant and the hire purchase receivable the 4th defendant, charging that the Company was jointly responsible, as the employer of the 1st defendant, a person driving a vehicle carelessly and causing loss to the plaintiff. Because in this case the plaintiff jointly sued the Company without taking into considering whether the Company was involved in the offence or as employer-employee with the 1st defendant and 4th defendant, the Company believes that it has no liability together with the 1st defendant, the 4th defendant (the employer and the lessee), and the other defendants.) The management of the Company has exercised judgement to assess the outcome of the litigation and is confident that the Company will not incur any significant losses. Therefore, no contingent liability has been recognised.



31. Financial instruments

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, hire purchase/financial lease receivables/payables, loans, debentures, and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

31.1 Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and financial lease receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of loans and receivables less allowance for doubtful debt stated in the statements of financial position.

31.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial positions of the Company. As the Company has no foreign currency transactions and has a small amount invested in securities, market risk consists of only interest rate risk.

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

Significant financial assets and liabilities as at 31 December 2015 and 2014 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2015					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
	Within	1-5	Over	interest	interest	
Transactions	1 year	years	5 years	rate	bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	151	13	164
Hire purchase receivables ⁽¹⁾	10,928	17,203	4	-	1,382	29,517
Financial lease receivables ⁽¹⁾	109	289	-	-	6	404
Financial liabilities						
Short-term loans from financial institutions	6,177	-	-	-	-	6,177
Short-term loans	1,144	-	-	-	-	1,144
Other payables	-	-	-	-	247	247
Long-term loans	83	1,400	-	-	-	1,483
Debentures	5,498	9,989	-	-	-	15,487
Hire purchase and financial lease payables	5	4	-	-	-	9

(1) The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.

(Unit: Million Baht)

	2014					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
	Within	1-5	Over	interest	interest	
Transactions	1 year	years	5 years	rate	bearing	Total
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	184	20	204
Hire purchase receivables ⁽¹⁾	9,994	16,465	10	-	1,476	27,945
Financial lease receivables ⁽¹⁾	95	181	-	-	4	280
<u>Financial liabilities</u>						
Short-term loans from financial institutions	4,972	-	-	-	-	4,972
Short-term loans	1,047	-	-	-	-	1,047
Other payables	-	-	-	-	181	181
Long-term loans	924	625	-	112	-	1,661
Debentures	1,500	14,180	-	-	-	15,680
Hire purchase and financial lease						
payables	5	9	-	-	-	14

(1) The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.



31.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Counting from the statement of financial position date, the periods to maturity of financial instruments held as at 31 December 2015 and 2014 are as follows:

(Unit: Million Baht)

Transactions	2015				Total
	At call	Less than 1 year	Over 1 year	No specific maturity	
<u>Financial assets</u>					
Cash and cash equivalents	164	-	-	-	164
Hire purchase receivables ⁽¹⁾	-	10,928	17,207	1,382	29,517
Financial lease receivables ⁽¹⁾	-	109	289	6	404
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	6,177	-	-	6,177
Short-term loans	-	1,144	-	-	1,144
Other payables	-	247	-	-	247
Long-term loans	-	83	1,400	-	1,483
Debentures	-	5,498	9,989	-	15,487
Hire purchase and financial lease payables	-	5	4	-	9

(1) The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

(Unit: Million Baht)

Transactions	2014				Total
	At call	Less than 1 year	Over 1 year	No specific maturity	
<u>Financial assets</u>					
Cash and cash equivalents	204	-	-	-	204
Hire purchase receivables ⁽¹⁾	-	9,994	16,475	1,476	27,945
Financial lease receivables ⁽¹⁾	-	95	181	4	280
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	4,972	-	-	4,972
Short-term loans	-	1,047	-	-	1,047
Other payables	-	181	-	-	181
Long-term loans	-	1,036	625	-	1,661
Debentures	-	1,500	14,180	-	15,680
Hire purchase and financial lease					
payables	-	5	9	-	14

(1) The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

31.4 Fair value

As at 31 December 2015, the Company had no assets and liabilities that were measured at fair value. However, the Company had the assets and liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	2015				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	164	164	-	-	164
Hire purchase receivables	28,521	-	-	28,634	28,634
Financial lease receivables	400	-	-	402	402
Investment properties	19	-	32	-	32
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	6,177	-	6,177	-	6,177
Short-term loans	1,144	-	1,144	-	1,144
Other payables	247	-	247	-	247
Long-term loans	1,483	-	1,499	-	1,499
Debentures	15,487	-	15,685	-	15,685
Hire purchase and financial lease payables	9	-	9	-	9

Fair value hierarchy for assets and liabilities as at 31 December 2015 are presented according to notes 4.17 to the financial statements.

As at 31 December 2014, there are no material difference between the book value of financial assets and financial liabilities and their fair value.

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase and financial lease receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.



- c) For debentures, long-term loans and liabilities under hire purchase and financial lease payables carrying fixed interest, their fair value has been determined by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and preserves the ability to continue its business as a going concern.

As at 31 December 2015, the Company's debt-to-equity ratio was 5.46:1 (2014: 6.18:1).

33. Event after the reporting period

On 19 February 2016, a meeting of the Company's Board of Directors passed a resolution to propose the following to the Annual General Meeting of shareholders for approval:

- 1) A cash dividend payment of Baht 0.18 per share to the Shareholders from the net profit of 2015.
- 2) An increased budget for debentures and other debt instruments to be issued and offered during the year 2016, and cancel of the previously approved budget.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2016.



ราชนานี ลีสซิ่ง
Ratchthani Leasing
A Thanachart Group Company



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